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November 20, 2006

ELECTRONIC FILING

Honorable Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: **Public Utility District No. 2 of Grant County, Washington --
Project No. 2114 -- Submission of Amendment No. 2 to Hanford
Reach Fall Chinook Protection Program Agreement**

Dear Secretary Salas:

Transmitted herewith for filing on behalf of Public Utility District No. 2 of Grant County, Washington is the Amendment No. 2 to the Hanford Reach Fall Chinook Protection Program Agreement ("HRFCPPA"). The purpose of this amendment is to reflect the execution of the HRFCPPA by the Yakama Nation and the agreement of the existing signatories that by such execution the Yakama Nation has become a Party to the HRFCPPA.

This HRFCPPA was filed with the Commission as an offer of settlement on April 19, 2004 and comments thereon have been filed pursuant to Rule 602 of the Commission's Regulations (18 CFR § 385.602).

Respectfully submitted,



William J. Madden, Jr.
Attorney for Public Utility District No. 2
of Grant County, Washington

Enclosure

cc (w/encl.): Service List

Amendment No. 2 Hanford Reach Fall Chinook Protection Program Agreement

Recitals

The Yakama Nation desires to become a Party to the April 5, 2004 Hanford Reach Fall Chinook Protection Program Agreement (HRFCPP Agreement); and

The existing Parties to the HRFCPP Agreement are agreeable to adding Yakama Nation as a Party to the HRFCPP Agreement as provided for herein.

NOW THEREFORE, it is hereby agreed as follows:

Section 1. Yakama Nation by executing this Amendment No. 2 shall become a Party to the HRFCPP Agreement with all the rights and responsibilities associated with a Tribal Party as provided for in the HRFCPP Agreement.

Section 2. This Amendment No. 2 shall become effective upon its execution by Yakama Nation and following the approval all of the existing Parties to the HRFCPP which approval shall be indicated by execution of this Amendment No. 2.

Section 3. This Amendment No. 2 may be executed in counterparts. A copy of all executed signature pages shall constitute the original. The date of execution shall be the date of the final Party's signature. The effective date of the HRFCPP shall not be affected by this Amendment No. 2 and shall remain April 5, 2004

Hanford Reach Fall Chinook Protection Program Agreement

Dated Aug 10th, 2006

For:
Yakama Nation

By: Lavina Washines

Name: Lavina Washines

Title: Tribal Council Chair

Hanford Reach Fall Chinook Protection Program Agreement
Amendment No. 2

Dated August 30, 2006

For:
National Marine Fisheries Service of the
National Oceanic and Atmospheric
Administration

By: D. Robert Lohn

Name: D. Robert Lohn

Title: Regional Administrator, Northwest
Region

Hanford Reach Fall Chinook Protection Program Agreement

Dated 8/29/, 2006

For:
Public Utility District No. 1 of Chelan
County

By: 

Name: Richard Riazzi

Title: General Manager

Hanford Reach Fall Chinook Protection Program Agreement
Amendment No. 2

Dated August 28, 2006

For:
Public Utility District No. 1 of Douglas
County

By: W C Dobbins

Name: William C. Dobbins

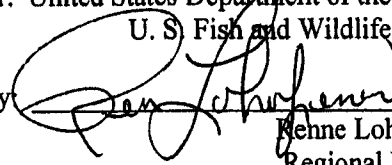
Title: CEO/Manager

Hanford Reach Fall Chinook Protection Program Agreement
Amendment No. 2

Dated: September 22nd, 2006

For: United States Department of the Interior
U. S. Fish and Wildlife Service

By

A handwritten signature in dark ink, appearing to read "Rene Lohofener", written over a horizontal line.

Rene Lohofener
Regional Director

Hanford Reach Fall Chinook Protection Program Agreement
Amendment No. 2

Dated Sept 28, 2006

For:
State of Washington
Department of Fish and Wildlife

By: 

Name: Jeffrey P. Koenings, Ph.D.

Title: Director

Hanford Reach Fall Chinook Protection Program Agreement
Amendment No. 2

Dated 9-7-, 2006

For:
Confederated Tribes of the Colville
Reservation

By: Margie Hutchinson
for

Name: Michael Marchand

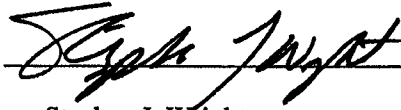
Title: Tribal Council Chairman

Hanford Reach Fall Chinook Protection Program Agreement
Amendment No. 2

Dated October 25, 2006

For:
United States Department of Energy
Bonneville Power Administration

By: _____

A handwritten signature in black ink, appearing to read "Stephen J. Wright", is written over a horizontal line.

Name: Stephen J. Wright

Title: Administrator/CEO

Hanford Reach Fall Chinook Protection Program Agreement
Amendment No. 2

Dated Nov. 17, 2006

For:
Public Utility District No. 2 of Grant County

By: Timothy J. Culbertson

Name: Timothy J. Culbertson

Title: General Manager

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Public Utility District No. 2
of Grant County

Project No. 2114-032
Washington

ORDER AMENDING LICENSE
(Issued January 25, 1995)

On October 27, 1994, Grant County Public Utility District No. 2 (licensee) filed and supplemented on December 27, 1994, functional design drawings and a request for Commission approval of construction and testing of a Fish Attraction Flow Prototype at the Wanapum Development of the Priest Rapids Project.

Background

On March 23, 1992, Judge Stephen Grossman issued an Initial Decision in the Mid-Columbia Proceeding concerning downstream fish passage at the Wanapum and Priest Rapids Dams. The Judge recommended the licensee, pursuant to Article 39 of its license, to install mechanical fish bypass facilities at Wanapum and Priest Rapids dams to mitigate losses of anadromous salmon smolts in their downstream migrations and, until completion of the bypass facilities, to substantially increase spillage of water at the dams to ensure downstream passage of 70% of spring migrants and 50% of summer migrants over 80% of their runs.

In its May 1994 Environmental Assessment (EA),¹ the Commission evaluated four downstream-passage alternatives addressed in the proceeding: (1) no-action, (2) mechanical bypass and enhanced interim spills (Judge's decision), (3) transportation alternative (licensee and Commission Trial Staff recommendation),² and (4) permanently enhanced spills (a possible alternative noted by Commission Advisory Staff and Fisheries Parties). The EA concluded that implementation of any of the downstream fish passage alternatives over the long-term may significantly affect the quality of the human environment. Therefore, the Commission determined that an Environmental Impact Statement (EIS) would be prepared.

¹ Environmental Assessment, Mid-Columbia Proceeding, P-2114-024, May 1994, Office of Hydropower Licensing, Division of Project Compliance and Administration. This document is available in the Commission's public files associated with this proceeding.

² Exhibit S-G-23 of the Mid-Columbia Proceeding, May 15, 1991, Judge Stephen Grossman, Presiding Administrative Law Judge.

On June 27, 1994, the Commission issued a Notice of Intent to Prepare an Environmental Impact Statement and to Conduct a Scoping Meeting. In the Notice, the Commission solicited information regarding relevant environmental issues that should be analyzed in the EIS. In oral testimony and in a filing dated August 30, 1994, the licensee recommended that the Commission's EIS analyze an alternative that relies on surface collection methods to bypass migrating smolts. Therefore, on October 27, 1994, the licensee requested that the Commission approve its design and schedule for construction of a fish attraction flow prototype.

In a letter dated December 9, 1994, the Director, Division of Project Compliance and Administration (Director), requested that the licensee furnish additional information regarding the prototype fish surface collector. The letter also stated that the Commission considered the October 27 filing a request to amend the project license. The licensee provided the information requested in the December 9 letter in its December 27 filing.

In a letter dated December 16, 1994, the Director authorized commencement of the licensee's initial preparatory work on the prototype to ensure that the facility would be operational by April 1995.

On January 5, 1995, the Commission issued a public notice regarding this proceeding.

Licensee's Proposal

The licensee proposes to install and test a \$7.4 million fish attraction flow prototype (fish surface collector) designed to facilitate downstream fish passage at the Wanapum Development. The prototype would consist of a rectangular steel channel placed in the forebay and attached to the dam in front of Units 7, 8, 9 and a portion of Unit 10. The channel would be approximately 330 feet long, variable in width (8 to 12 feet), and 60 feet high. About 55 feet of the structure would be submerged in the forebay when installed. A single fish attraction slot would be located near the center of Unit 8.

In its December 27 filing, the licensee proposed to test various slot and flow combinations to determine the fish attraction capability of the surface collector. Fish passage through the prototype and the turbine intakes would be monitored continuously throughout the study to estimate the fish guidance efficiency of the prototype. The licensee would also perform video monitoring of the slot to document fish behavior. Finally, the licensee would use hydroacoustics to monitor vertical distribution of fish approaching the surface collector.

The licensee schedule provides for construction of the prototype channel by April 15, 1995. This would enable testing during the 1995 spring and summer salmon downstream migration seasons. The licensee would conclude testing in early August when the migration season ends.

Resource Agency and Public Comments

In a letter received by the Commission on December 15, 1994, the Washington Department of Fish and Wildlife, on behalf of and in conjunction with the fishery agency and tribal representatives of the Mid-Columbia Coordinating Committee (MCCC, which includes the U.S. Fish and Wildlife Service, National Marine Fisheries Service (NMFS), Oregon Department of Fish and Wildlife, Yakima Indian Nation, and the Colville Confederated Tribes), stated that the MCCC are supportive of the concept and design of the prototype fish collector.

In a Motion to Intervene, filed January 13, 1995, NMFS stated that, prior to the issuance of any license amendment, it should be provided an opportunity to specify such mandatory license conditions under section 18 of the Federal Power Act (Act)³ and recommendations under section 10(j) of the Act⁴ as may be appropriate.

In response to the Commission's January 5, 1995 public notice, Mr. Jim Curdy of Mattawa, Washington commented on the licensee's proposal. In his January 6, 1995, letter, Mr. Curdy implied that the construction of the prototype surface collector is not necessary and would violate an international treaty between Canada and the United States. Mr. Curdy recommended the prototype surface collector be tested on a federal dam at the Commission's expense.

³ Section 18 of the Act provides that the Commission must require a licensee to construct, operate, and maintain such fishways as are prescribed by the Secretaries of Commerce or the Interior.

⁴ Section 10(j) of the Act specifies that in order to adequately protect, mitigate damages to, and enhance fish and wildlife affected by the development, operation, and management of the project, each project license issued shall include conditions for such protection, mitigation, and enhancement. These conditions should be based on recommendations received pursuant to the Fish and Wildlife Coordination Act.

Discussion and Recommendations

Currently, the only downstream migratory route for juvenile salmon (smolts) is to pass over the project's spillways or through the turbines. Some evidence suggests that the turbines may kill some smolts by causing physical injury from direct mechanical strikes, shear forces, pressure changes, and cavitation. A fish surface collector may allow smolts to bypass the project without passing through the turbines.

Surface collectors are a relatively new fish passage concept. Unlike conventional turbine intake fish screening systems, which bypass fish that sound 70 to 100 feet into the turbine intake, surface collectors guide fish by providing an attraction flow in the top 20 to 30 feet of water, guiding them to a common holding area where they may bypass the project works. Because migrating fish would remain in the upper third of the water column, this concept may preclude injury to fish due to stress and pressure changes caused by sounding.

Surface collectors have been used to successfully bypass downstream migrating juvenile blueback herring past a hydroelectric project.⁵ In the Columbia River, the fish bypass system at Wells Dam utilizes surface attraction flow to bypass downstream migrating juvenile salmonids. In fact, an evaluation of this bypass system at Wells suggested that fish bypass efficiencies exceeded 90%.⁶

The configuration of the surface collection system at Wells Dam differs from the licensee's proposed design as the Wells system is incorporated into the project spillways. Little information is available on the efficiency of a surface collector fish bypass system that is located above the project's intakes but adjacent to the project spillway. Therefore, the licensee's proposed construction and testing of a prototype fish collector should provide valuable information in this area. Plans are also underway to test surface collectors at downstream federal dams on the Columbia and Snake Rivers (U.S. Army Corps of Engineers, 1994).

⁵ Thorne, R.E. 1994. New York State Dam Hydropower • Project Juvenile Blueback Herring Monitoring, Fall 1993. Biosonics, Inc., Seattle Washington. Prepared for Adirondack Hydro Development Corporation.

⁶ Ehro, M.W., G.E. Johnson, and C.M. Sullivan. Unpublished. The Salmonid Smolt Bypass System at Wells Dam on the Columbia River. Distributed by Biosonics, Inc., Seattle, Washington.

The licensee's proposed construction and testing of a prototype fish surface collector would provide preliminary information on a potentially safe alternative migration route for downstream migrating salmon smolts. This information could be used to evaluate the potential success or failure of a permanent fish surface collector.

NMFS requested an opportunity, in this interim amendment phase, to specify mandatory license conditions and make recommendations pursuant to sections 18 and 10(j) of the Act. However, NMFS's opportunity to specify terms and conditions regarding fish passage under section 18 and recommendations under section 10(j) are applicable during a post-license proceeding only if a proposed license amendment is construed as a new licensing action.⁷ Because of the temporary nature of the proposed facilities and the negligible effect on project operations, we do not consider this amendment a "new licensing action." Therefore, NMFS's request to specify terms and conditions and recommendations under sections 18 and 10(j) of the Act is not appropriate for this proceeding.

Mr. Jim Curdy's comments regarding the legality of the Commission action on the licensee's proposed construction and testing of the prototype fish surface collector are beyond the scope of this order. However, as stated in the November 7, 1994, Scoping Document 2 of the Mid-Columbia Proceeding, the Commission will address the issue of its regulatory authority within the context of the Columbia River Treaty in the order resolving the Mid-Columbia Proceeding. Mr. Curdy's recommendation to test the licensee's proposed prototype fish collector at a federal dam is not warranted because the Commission has no jurisdiction over the construction and operation of federal hydroelectric facilities.

The licensee stated that testing of the prototype fish surface collector would conclude in August. However, it did not specify when or if the results of the test would be filed with the Commission. The Commission may need this information in order to facilitate its final decision on downstream fish passage at the Priest Rapids Project as part of the Mid-Columbia Proceeding. Therefore, by October 15, 1995, the licensee should file a report on the testing of the prototype surface collector. The report should include comments of the MCCC and any plans, for Commission approval, for any further testing of the prototype. The licensee should allow at least 30 days for the MCCC to comment on the report prior to filing it with the Commission.

⁷ See, e.g., Adirondack Hydro Development Corporation, 50 FERC ¶ 61,100 at p. 61,318 (1990).

Conclusions

The environmental impacts associated with construction and operation of the prototype fish collector were found to be minor and of short duration in an EA issued by the Commission on January 25, 1995.⁸ This EA concludes that Commission approval of the construction and operation of the prototype fish surface collector will not constitute a major federal action significantly affecting the human environment.

Approval of the licensee's amendment request for constructing and operating the facility would provide much needed information on the potential value of surface collectors as a means of safe and efficient fish passage. The results of the licensee's study may eventually lead to construction of a permanent, expanded fish surface collector which, in turn, may result in moderate, long-term increases in the number of chinook salmon smolts that survive seaward migration in the Columbia Rivers. Therefore, the licensee's functional design drawings of the prototype fish surface collector and its plan to test the fish passage efficiency should be approved, with the modification discussed above, and the license amended accordingly.

As previously mentioned, the Commission is currently preparing an EIS that will analyze the biological and economic merits of downstream fish passage alternatives, including a fish surface collector. The licensee should recognize that approval of its plan to construct and test a prototype fish surface collector does not constitute pre-judgement on the part of the Commission regarding how it would ultimately decide the issue of downstream fish passage at the Priest Rapids Project.

The Director orders:

(A) The license for the Priest Rapids Project, No. 2114, shall be modified to include the functional design drawings for the prototype fish surface collector filed October 27, 1994, and the licensee's plan for testing the prototype fish collector, filed December 27, 1994, as modified by paragraph (B).

(B) By October 15, 1995, the licensee shall file a report on the testing of the prototype fish surface collector. The report shall include comments of the Mid-Columbia Coordinating Committee (MCCC) and any plans, for Commission approval, for any further testing of the prototype. The licensee shall allow at

⁸ Environmental Assessment for Amendment of License, Priest Rapids Project, FERC No. 2114-032, January 25, 1995, Office of Hydropower Licensing, Division of Project Compliance and Administration.

**ENVIRONMENTAL ASSESSMENT
FOR AMENDMENT OF LICENSE**

Priest Rapids Project


FERC No. 2114-032

Washington

7

least 30 days for the MCCC to comment on the report prior to filing it with the Commission.

(C) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.


J. Mark Robinson
Director, Division of Project
Compliance and Administration

**Federal Energy Regulatory Commission
Office of Hydropower Licensing
Division of Project Compliance and Administration
825 North Capitol Street, NE
Washington, DC 20426**

January 25, 1995

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Before Jerome K. Keykendall, Chairman; Claude L. Draper,
Commissioners: Seaborn L. Digby, Frederick Stueck and William R. Conrole.

In the Matter of

Public Utility District No. 2
of Grant County, Washington

Project No. 2114

ORDER ISSUING LICENSE (MAJOR)

Application was filed June 27, 1955 by Public Utility District No. 2 of Grant County, Washington, of Ephrata, Washington, for license under the Federal Power Act (hereinafter referred to as the Act) for proposed major Project No. 2114, known as Priest Rapids Hydroelectric Project, to be located on the Columbia River, navigable waters of the United States, in Chelan, Douglas, Kittitas, Grant, Yakima, and Benton Counties, Washington, and affecting lands of the United States under the supervision of the Atomic Energy Commission, the Department of the Army, the Department of the Interior, and Bonneville Power Administration.

As described in the application, the proposed project would consist of:

- (a) All lands constituting the project area and enclosed by the project boundary or the limits of which are otherwise defined and/or interest in such lands necessary or appropriate for the purposes of the project, whether such lands or interest therein are owned or held by the applicant or by the United States; such project area and project boundary being more specifically shown and described by certain exhibits which formed a part of the application for license and which are designated and described as follows:

Exhibit	Dwg.No.	FPC No.	Title
J-Sheet 1	138 P 351	2114-2	instr. 23 General Plan
J-Sheet 2	12.1-61.1	2114-3	instr. 16 Vicinity Transmission System
K-Sheet 1	138 P 361	2114-4	instr. 5 Priest Rapids Project Reservoir Map
K-Sheets 2 & 3	138 P 362 and P 363	2114-5 and -6	instr. 23 Wanapum Project Reservoir Map

superceded {

DEC 23 1955

FEDERAL POWER COMMISSION

- (b) Principal structures consisting of:

Two similar developments, to be known as the "Priest Rapids Development" (River Mile 397 from mouth of Columbia River), and the "Wanapum Development" (approximate River Mile 415),

each development to consist of:

more
up-to-date
description
is in
Inst. 19

a concrete ogee spillway section containing 22 tainter gates; rockfill embankments connecting the concrete spillways and powerhouses to the high ground at both abutments; provisions for passage of upstream migratory fish; design provisions for construction of future navigation locks; a reservoir formed by each dam for operation of relevant plant; a powerhouse, integral with the dam, each plant to contain eight (8) vertical shaft, Kaplan turbines, with skeleton provisions for two similar future units (in addition to the installation and provision for these ten units there is feasibility of adding at least six more units at each project)the Priest Rapids turbines to be rated for 114,000 horsepower each at 78 feet net head (total 912,000 hp initial; 1,140,000 hp with ten units; 1,824,000 hp potential final), connected to generators rated at 79,000 kva (0.95 p.f.) each (total 600,000 kw initial), the Wanapum turbines to be rated for 108,000 horsepower each at 75 feet net head (total 864,000 hp initial; 1,080,000 hp with ten units; 1,728,000 hp potential final) connected to generators rated at 75,000 kva (0.95 p.f.) each (total 570,000 kw initial); a substation and switching station at each powerhouse; transmission lines; and appurtenant hydraulic, mechanical, and electrical facilities and miscellaneous project works

-the location, nature, and character of which structures are more specifically shown and described by the exhibits hereinbefore cited and by certain other exhibits which formed part of the application for license and which are designated and described as follows:

Priest Rapids Development

<u>Exhibit "L",</u>	<u>Dwg. No.</u>	<u>FPC No.</u>	<u>Title</u>
Sheet 1	I38-P301	2114-7	General Plan and Sections
Sheet 2	-P302	-8	Spillway
Sheet 3	-P303	-9	Powerhouse-Plans
Sheet 4	-P304	-10	Powerhouse-Plan and Section
Sheet 5	-P305	-11	Powerhouse-Sections
Sheet 6	-P306	-12	Navigation Provisions

separate

Wanapum Development*

<u>Exhibit "L"</u>	<u>Dwg.No.</u>	<u>FPC No.</u>	<u>Title</u>
Sheet 9	138-P309	2114-15	General Plan superseded, see 1257.
<u>Exhibit M:</u>	"General Description of Mechanical, Electrical and Transmission Equipment" in three sheets } see last p. 1 and 16 filed June 27, 1955.		

- (c) All other structures, fixtures, equipment or facilities used or useful in the maintenance and operation of the project and located on the project area, including such portable property as may be used or useful in connection with the project or any part thereof, whether located on or off the project area, if and to the extent that the inclusion of such property as part of the project is approved or acquiesced in by the Commission; also, all riparian or other rights, the use or possession of which is necessary or appropriate in the maintenance or operation of the project.

Although the application lists "transmission lines" among the project structures, it further recites that final plans for transmission lines and system connections will be furnished the Commission at a future date.

The two developments constituting Project No.2114 as proposed by the applicant are substantially the same insofar as total head and stretch of river are concerned, as the Priest Rapids project proposed for development by the United States Corps of Engineers and adopted and authorized to be constructed by the United States in the Flood Control Act of 1950 (64 Stat. 170,179). However, the provisions of that law, insofar as it provided for development by the United States of the Priest Rapids project, were modified by Public Law 544, 83d Congress, approved July 27, 1954 (68 Stat. 573) to permit development of the Priest Rapids site by the applicant herein or such district or its successor in combination with such other utilities as it may legally affiliate with or by any division, sub-division, agency, or commission of the State of Washington, under and in accordance with the terms and conditions of a license duly issued pursuant to the Federal Power Act and in accordance with the provisions of Public Law 544. The latter Act provides also that if an application for license for development of the Priest Rapids site is not filed with the Federal Power Commission prior to the date which is two years after its enactment the provisions of the Act shall not be effective

* The remaining exhibits pertaining to the Wanapum Development which were filed as part of the application require revision as herein-after provided prior to their approval by the Commission.

Project No. 2114
(Cont'd)

-4-

after that date and the authorization for the development of the Priest Rapids site contained in the Flood Control Act of 1950 shall have the same status it would have had if Public Law 544 had not been enacted. In addition, Public Law 544 provides that the Commission shall act on any timely application for license within one year.

Pursuant to application therefor filed July 22, 1952, the Commission by order issued October 21, 1954 issued a preliminary permit to the applicant herein for a proposed Priest Rapids project, designated as Project No. 2114, for a period commencing October 1, 1954 and ending July 26, 1956.

On August 8, 1955, an agreement was entered into by the applicant herein, Puget Sound Power & Light Company (Puget), and Public Utility District No. 1 of Chelan County, Washington (Chelan), in the absence of which agreement Puget would protest the granting of a license for Project No. 2114. However, under the agreement the applicant agrees to compensate Puget and Chelan or their successors in interest in the Rock Island Project on the Columbia River (Project No. 943) for all loss, damage and expense which Puget and Chelan or either of them or their successors in interest in Project No. 943 shall sustain or incur by reason of the construction or operation of Project No. 2114 or any part thereof. The agreement also contains a provision to the effect that the obligations contained therein shall be included as conditions of any license which the Federal Power Commission may issue to the applicant for license for Project No. 2114. In letter dated August 15, 1955, Puget and Chelan requested this Commission to include the applicant's obligations under the agreement as conditions of any license issued.

On August 19, 1955, the State of Washington, through its Departments of Fisheries and Game, filed a petition to intervene in this proceeding. In its August 15, 1955 letter transmitting the petition, the State advised that it does not wish to protest the construction of the project but merely wishes to ensure that adequate fish facilities, hatcheries,

and other devices shall be provided which will preserve the existing fishery resources on the Columbia River at the site of the proposed project. Subsequent to the filing of the petition, a contract was entered into between the applicant herein and the State of Washington Departments of Fisheries and Game, signed by the applicant on September 28, 1955 and by the respective Departments on September 30, 1955. The contract provides for payment by the applicant of the expenses of an investigation to determine the measures required in the interest of preservation of the fish and wildlife resources affected by the project, and appears to satisfy the State's interest in this proceeding insofar as fish and wildlife resources are involved. Moreover, the license hereinafter issued contains conditions in the interest of fish and wildlife resources.

An agreement, substantially similar to the contract between the applicant herein and the Washington Departments of Fisheries and Game, just referred to, was entered into between the applicant and the United States Fish and Wildlife Service of the Department of the Interior. This latter agreement was signed by the Fish and Wildlife Service on October 11, 1955 and by the applicant on October 13, 1955.

In reporting on the application, the Secretary of the Interior has recommended that any license issued should provide for: hydraulic and electric integration and operation of the proposed project with the plants and reservoirs presently comprising the Columbia River System; reimbursements to the United States during the construction and development period of charges covering the approximately 750 irrigable acres of Columbia Basin Project lands; the protection of fish and wildlife resources and financing of studies to achieve same; free use of the project area by the public; protection of Wanapum Indian graves and relics, and for recreation and archeological investigations; -- all as hereinafter substantially provided or provided for. In addition, the Secretary recommended that any license issued should provide for: (1) reimbursement to the United States of the appraisal value of all the acquired lands affected, and (2) that

if the applicant herein becomes the licensee for Project No. 2114, it be added as a party to the proceeding before the Commission in Docket No. E-6384 involving the Commission's order issued February 4, 1952 instituting an investigation under Section 10 (f) of the Federal Power Act. We do not believe that special condition (1) should be required since the license hereinafter ordered provides for payment to the United States, of annual charges for the use, occupancy and enjoyment of such lands, and condition (2) may be met by separate order and not in connection with this license proceeding.

The Chairman of the Atomic Energy Commission, in reporting on the application, has recommended that proposed Project No. 2114 be so operated as to provide for a minimum stream flow downstream therefrom at the Hanford Works of not less than 36,000 cubic feet per second of water, as hereinafter provided.

The Chief of Engineers, Department of the Army, in reporting on the application, has recommended that any license issued should contain certain conditions in the interest of flood control and navigation as hereinafter provided, and has advised that the structures affecting the interests of navigation are satisfactory subject to further underground explorations and studies of alternative locations for future locks.

An Assistant Secretary of Defense has reported that there appears to be no reason that defensibility of the project should be a primary factor in the consideration of the project.

The Commission finds:

- (1) The applicant is a municipal corporation organized under the laws of the State of Washington; it is a municipality within the meaning of Section 3(11) of the Act; and it has submitted satisfactory evidence of compliance with the requirements of all applicable State laws insofar as necessary to effect the purposes of a license for the project.
- (2) No conflicting application is before the Commission. Public notice has been given.
- (3) The project, constructed, maintained, and operated as hereinafter ordered and conditioned, will not affect any Government dam, nor will the issuance of a license therefor as hereinafter provided affect the development of any water resources for public purposes which should be undertaken by the United States.
- (4) The project as proposed will be located on a navigable water of the United States and will affect lands of the United State

- (5) The issuance of a license for the project as hereinafter provided will not interfere or be inconsistent with the purposes of any withdrawal of public lands or reservations of the United States.
- (6) The applicant has submitted satisfactory evidence of its financial ability to construct and operate the proposed project.
- (7) The project is best adapted to a comprehensive plan for improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, for the improvement and utilization of water-power development, and for other beneficial public purposes, including recreational purposes.
- (8) The proposed project is desirable and justified in the public interest for the purpose of improving or developing the Columbia River for the use or benefit of interstate or foreign commerce.
- (9) The installed horsepower capacity of the project hereinafter authorized for the purpose of computing the capacity component of the administrative annual charge is 1,776,000 *indicated* horsepower. A portion of the energy generated thereby will be used by the applicant to meet the growing requirements of its electric distribution system serving Grant County, Washington, and the balance of the output and a reasonable portion of the power capacity will be sold to other electric utility systems in Washington and in neighboring States in accordance with the provisions of Section 6, Public Law 544.
- (10) The amount of annual charges to be paid under the license for the purpose of reimbursing the United States for the costs of administration of Part I of the Act, and for recompensing it for the use, occupancy and enjoyment of its lands is reasonable as hereinafter fixed and specified.
- (11) The exhibits designated and described in paragraphs (a) and (b) above conform to the Commission's rules and regulations and should be approved as part of the license for the project. With the exception of Exhibit "L" sheet 9 (FFC No. 2114-15), the "L" drawings pertaining to the Wanapum Development submitted with the application for license do not conform to the Commission's rules and regulations and the applicant should resubmit these drawings in accordance with the Commission's rules and regulations as hereinafter provided.
- (12) It is desirable to reserve for determination at a later date what transmission facilities, if any, are a part of the project and should be included in the license.

Project No. 2114
(Cont'd)

The Commission orders:

(A) This license is issued to Public Utility District No. 2 of Grant County, Washington, under Section 4 (e) of the Federal Power Act for a period of 50 years, effective as of November 1, 1955, for the construction, operation, and maintenance of Project No. 2114 upon the Columbia River and its tributaries, and affecting navigable waters and lands of the United States, subject to the terms and conditions of Public Law 544, 83d Congress (68 Stat. 573) and of the Federal Power Act, which Public Law 544 and Act are incorporated by reference as a part of this license, and subject to such rules and regulations as the Commission has issued or prescribed under the provisions of the Act.

(B) This license is also subject to the terms and conditions set forth in Form L-6, December 15, 1953, entitled "Terms and Conditions of License for Unconstructed Major Project Affecting Navigable Waters and Lands of the United States", except for Articles 15, 16, 23 and 24 thereof, which terms and conditions are attached hereto and made a part hereof; and subject to the following special conditions set forth herein as additional articles:

*Order
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June 1, 1956
amended,
see Instr. 11*

~~Article 28. The Licensee shall commence construction of the Priest Rapids Development on or before July 1, 1958, and with due diligence shall complete the works on or before June 30, 1962; and shall commence construction of the Wanapum Development on or before July 1, 1958, and with due diligence shall complete the works on or before June 30, 1962.~~

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Article 29. The Licensee shall plan its project works so as to allow for future construction by the United States of such navigation facilities as may be required, and whenever the United States shall desire to construct, complete, or improve navigation facilities in connection with said project, the Licensee shall convey to the United States free of cost, such of its lands and rights-of-way, and such right of passage through its dams or other structures and permit such control of pools as may be required to complete such navigation facilities, and shall provide without cost to the United States, a suitable site for lock operators' cottages and shops: Provided, That the financial responsibility herein imposed on the Licensee for the site required for cottages and shops, taken at its present valuation, shall not exceed an aggregate of fifty thousand (\$50,000) dollars.

Article 30. The Licensee shall grant to the United States free right for the transportation of both persons and property over the dams or other structures, when required for the construction, maintenance, and operation of the locks.

Article 31. The Licensee shall provide, without expense to the United States, adequate guard rails, fenders, or other structures for the protection of navigation in front of the intake to the powerhouse, when and as required and approved by the Chief of Engineers and the Secretary of the Army.

Article 32. The Licensee shall establish by model studies the hydraulic and structural adequacies of the spillways for the Priest Rapids and Wanapum dams.

Article 33. The Licensee shall without cost to the United States, furnish such power and construct and install all appliances as are necessary for furnishing the necessary power for the construction, operation, and maintenance of navigation facilities at both dams at such time as may be required by the United States.

Article 34. The Licensee shall, each year before May 15, by direction of the District Engineer, Corps of Engineers, in charge of the locality, make available in the Priest Rapids and Wanapum Reservoirs, storage space in amount necessary to compensate approximately for valley storage that may be expected to be lost during the ensuing flood season: Provided, That said required storage space may be provided in either or both of the reservoirs in such manner as to least affect the interests of power generation: Provided, Further, That refill of this storage space shall be as directed by the District Engineer on a basis of forecasts of time and magnitude of flood flows and may be allowed any time between May 15 and June 30.

Article 35. The Licensee shall provide for flood control storage space in addition to that required to compensate for valley storage, as provided for in Article 34, up to a total of 500,000 acre-feet by additional drawdown as may be requested by the Corps of Engineers-such drawdown to be based on forecasts of peak flow and time of occurrence: Provided, That suitable arrangements have been made to compensate the Licensee for the use of the additional storage space, and, Provided further, That such compensation shall be

determined by the Federal Power Commission, based upon the value of the additional storage space for other uses or upon payment in kind for power loss, at the discretion of the Commission.

Article 36. The Licensee shall control operation of the Priest Rapids Project, at such time as it may be determined by the Secretary of the Army to be necessary in the interest of navigation, so as to maintain a minimum release and so as to restrict the rate of increase or decrease of the releases to amounts to be determined hereafter by the Secretary of the Army and approved by the Commission.

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Article 37. The Licensee shall to the maximum feasible extent coordinate the operation of the Priest Rapids Project (Priest Rapids and Wanapum Developments) with the Northwest Power Pool.

Article 38. The Commission reserves the right to determine at a later date what, if any, reimbursement to the United States shall be made by the Licensee for construction and development period charges relative to lands in Project No. 2114 which are within the boundaries of the Columbia Basin Project of the Bureau of Reclamation.

Article 39. The Licensee shall construct, operate, and maintain or shall arrange for the construction, operation and maintenance of such fish ladders, fish traps, or other fish handling facilities or fish protective devices and provide fish hatchery facilities for the purpose of conserving the fishery resources, and comply with such reasonable modifications in project structures and operations in the interest of fish life in connection with the project as may be prescribed hereafter by the Commission upon recommendations of the Secretary of the Interior, and the Washington State Departments of Fisheries and Game, and the Licensee

Fish
passage

Waterfowl
mitigation

Article 40. The Licensee shall negotiate with the Department of Game of the State of Washington with respect to the acquisition by the Licensee for the State of island and marsh areas along the Columbia River and tributaries for development as substitutes for waterfowl nesting areas to be lost by reservoir inundation. Should the Licensee and the State Department of Game fail to agree on the acquisition of such lands, the Commission reserves the right to make a final determination in this matter after notice and opportunity for hearing.

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~~Article 41. The Licensee shall negotiate with the Departments of Fisheries and Game with respect to the amount the Licensee shall pay each year to defray a reasonable portion of the operation and maintenance cost of fishery facilities to be provided under the license. Should the Licensee and the State agencies fail to agree on the amount to be paid by the Licensee for such purpose, the Commission reserves the right to determine the amount of this annual payment after notice and opportunity for hearing.~~

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Article 42. The Licensee shall, through and with the assistance of the Area Office, Bureau of Indian Affairs, Portland, Oregon, formulate an agreement with the Wanapum Band of Indians for the protection of the Indian graves in the project area, the removal of the pictographs from P'na Island, and the setting up of these pictographs as monuments.

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Recreation
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Article 43. The Licensee shall cooperate with the Secretary of the Interior in the preparation of a recreation master plan for the area and shall make available to the Secretary upon his request reasonable amounts of monies to compensate for expenses incurred in the excavation of archaeological sites, not to exceed a total of \$40,000, and in the preparation of a recreation master plan for the area, not to exceed a total of \$20,000.

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Article 44. The Licensee shall abide by the terms of the agreement dated August 8, 1955, hereinbefore more specifically referred to, between the Licensee, Puget Sound Power & Light Company, and Public Utility District No. 1 of Chelan County, Washington. The Licensee shall also abide by the terms of the agreement signed September 28, and September 30, 1955, respectively, hereinbefore more specifically referred to, between the Licensee, and the Washington State Departments of Fisheries and Game; and by the terms of the agreement signed October 13, and October 11, 1955, respectively, hereinbefore more specifically referred to, between the Licensee and the United States Fish and Wildlife Service: Provided, However, That the Licensee shall not terminate either agreement without the prior consent of the Commission. Notwithstanding the above provisions of this article, the Licensee shall reimburse the Secretary of the Interior and the State of Washington, through its Departments of Fisheries and Game, upon their request and further order of the Commissions, for expenses incurred, not to exceed a total of \$132,000, in carrying

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out detailed studies of the extent and character of the fishery resources of the project area and to devise means and measures for mitigating losses to ~~that~~ resource: Provided, However, That the total sum of the funds provided by the Licensee under the provisions of the aforesaid contracts shall be deducted from the \$182,000 set out above in determining the Licensee's liability under this article. ✓ those

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[Article 45. The Licensee shall so regulate the flow from Project No. 2114 that it will not result in flows of less than 36,000 cubic feet per second of water at the Hanford Works of the Atomic Energy Commission except when conditions are beyond the Licensee's control.

~~Article 46. The Licensee shall prior to impounding water clear all lands in the bottoms and margins of reservoirs up to high-water level, shall clear and keep clear to an adequate width lands of the United States along open conduits, and shall dispose of all temporary structures, unused timber, brush, refuse, or inflammable material resulting from the clearing of the lands or from the construction and maintenance of the project works. In addition, all trees along the margins of reservoirs which may die from operation of the reservoir shall be removed. The clearing of the lands and the disposal of the material shall be done with due diligence and to the satisfaction of the authorized representative of the Commission.~~

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Article 47. The Licensee shall pay to the United States the following annual charges, effective as of November 1, 1955:

- (i) For the purpose of reimbursing the United States for the costs of administration of Part I of the Act, one (1) cent per horsepower of the authorized installed capacity (1,776,000 horsepower), plus two and one-half ($2\frac{1}{2}$) cents per 1,000 kilowatt-hours of gross energy generated by the project

during the calendar year for which the charge is made; and

- (ii) For the purpose of recompensing the United States for the use, occupancy, and enjoyment of its lands, including those used for transmission line right-of-way purposes, an amount to be hereafter determined by the Commission.

Article 48. The Commission expressly reserves the right to determine at a later date what transmission lines and appurtenant facilities, if any, shall be included in this license.

Article 49. The Licensee shall revise Exhibit "F" to reflect the requirements of the Commission's rules and regulations and shall re-submit this exhibit to the Commission within one year from the effective date of this license.

see Instr

Article 50. The Licensee shall submit, in accordance with the Commission's rules and regulations, Exhibit "L" drawings for the Wanapum Development, with the exception of Exhibit "L", sheet 9 (FFC No. 2114-15), showing the designs of the proposed project structures for that development; and the Licensee shall not begin construction of the Wanapum Development until the Commission shall have approved these drawings.

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40 & 44

Articles 51 to 54

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- (C) The exhibits designated and described in paragraphs (a) and (b) above are approved as part of this license.

- (D) This order shall become final thirty (30) days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313 (a) of the Act, and failure to file such an application shall constitute acceptance of this license. In acknowledgment of the acceptance of this license, it shall be signed for the licensee and returned to the Commission within sixty (60) days from the date of issuance of this order.

By the Commission.

J. H. Cutridge,
Acting Secretary.

Adopted: November 4, 1955

Issued: November 4, 1955

Project No. 2114
(Cont'd)

IN TESTIMONY OF ACCEPTANCE of all the provisions, terms and conditions of this license, Public Utility District No. 2 of Grant County, Washington, this 23rd day of November, 1955, has caused its corporate name to be signed hereto by F. Wm. Arlt, its - - - President, and its corporate seal to be affixed hereto and attested by Wm. Schamp, its - - - Secretary, pursuant to a resolution of its Board of Directors duly adopted on the 23rd day of November, 1955, a certified copy of the record of which is attached hereto.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON.

By F. Wm. Arlt
President

Attest:

Wm. Schamp
Secretary

(Executed in quadruplicate)

FEDERAL POWER COMMISSION

TERMS AND CO DITIONS OF LICENSE
FOR UNCONSTRUCTED MAJOR PROJECT AFFECTING
NAVIGABLE WATERS AND LANDS OF THE UNITED STATES

Article 1. The entire project, as described in the order of the Commission, shall be subject to all the provisions, terms, and conditions of the license.

Article 2. No substantial change shall be made in the maps, plans, specifications, and statements described and designated as exhibits and approved by the Commission in its order as a part of the license until such change shall have been approved by the Commission: Provided, however, that if the Licensee or the Commission deems it necessary or desirable that said approved exhibits, or any of them, be changed, there shall be submitted to the Commission for approval amended, supplemental, or additional exhibit or exhibits covering the proposed changes which, upon approval by the Commission, shall become a part of the license and shall supersede, in whole or in part, such exhibit or exhibits theretofore made a part of the license as may be specified by the Commission.

Article 3. Said project works shall be constructed in substantial conformity with the approved exhibits referred to in Article 2 herein or as changed in accordance with the provisions of said article. Except when emergency shall require for the protection of navigation, life, health, or property, no substantial alteration or addition not in conformity with the approved plans shall be made to any dam or other project works under the

license without the prior approval of the Commission; and any emergency alteration or addition so made shall thereafter be subject to such modification and change as the Commission may direct. Minor changes in the project works or divergence from such approved exhibits may be made if such changes will not result in decrease in efficiency, in material increase in cost, or in impairment of the general scheme of development; but any of such minor changes made without the prior approval of the Commission, which in its judgment have produced or will produce any of such results, shall be subject to such alteration as the Commission may direct. The Licensee shall comply with such rules and regulations of general or special applicability as the Commission may from time to time prescribe for the protection of life, health, or property.

Article 4. The construction, operation, and maintenance of the project and any work incident to additions or alterations, whether or not conducted upon lands of the United States, shall be subject to the inspection and supervision of the Regional Engineer, Federal Power Commission, in the region wherein the project is located, or of such other officer or agent as the Commission may designate, who shall be the authorized representative of the Commission for such purposes. The Licensee shall furnish to said representative such information as he may require concerning the construction, operation, and maintenance of the project, and of any alteration thereof, and shall notify him of the date upon which work will begin, and as far in advance thereof as said representative may reasonably specify, and shall notify him promptly in writing of any suspension of work for a period of more than one week, and of its

resumption and completion. The Licensee shall allow him and other officers or employees of the United States, showing proper credentials, free and unrestricted access to, through, and across the project lands and project works in the performance of their official duties.

Article 5. Upon the completion of the project, or at such other time as the Commission may direct, the Licensee shall submit to the Commission for approval revised maps, plans, specifications, and statements insofar as necessary to show any divergence from or variations in the project area and project boundary as finally located or in the project works as actually constructed when compared with the area and boundary shown and the works described in the license or in the maps, plans, specifications, and statements approved by the Commission, together with a statement in writing setting forth the reasons which in the opinion of the Licensee necessitated or justified variations in or divergence from the approved maps, plans, specifications, and statements. Such revised maps, plans, specifications, and statements shall, if and when approved by the Commission, be made a part of the license under the provisions of Article 2 hereof.

Article 6. For the purpose of determining the stage and flow of the stream or streams from which water is to be diverted for the operation of the project works, the amount of water held in and withdrawn from storage, and the effective head on the turbines, the Licensee shall install and thereafter maintain such gages and stream-gaging stations as the Commission may deem necessary and best adapted to the requirements; and shall provide for the required readings of such gages and for the adequate

rating of such stations. The Licensee shall also install and maintain standard meters adequate for the determination of the amount of electric energy generated by said project works. The number, character, and location of gages, meters, or other measuring devices, and the method of operation thereof, shall at all times be satisfactory to the Commission and may be altered from time to time if necessary to secure adequate determinations, but such alteration shall not be made except with the approval of the Commission or upon the specific direction of the Commission. The installation of gages, the ratings of said stream or streams, and the determination of the flow thereof, shall be under the supervision of, or in cooperation with, the District Engineer of the United States Geological Survey having charge of stream-gaging operations in the region of said project, and the Licensee shall advance to the United States Geological Survey the amount of funds estimated to be necessary for such supervision or cooperation for such periods as may be mutually agreed upon. The Licensee shall keep accurate and sufficient record of the foregoing determinations to the satisfaction of the Commission, and shall make return of such records annually at such time and in such form as the Commission may prescribe.

Public access

Article 7. So far as is consistent with proper operation of the project, the Licensee shall allow the public free access, to a reasonable extent, to project waters and adjacent project lands owned by the Licensee for the purpose of full public utilization of such lands and waters for navigation and recreational purposes, including fishing and hunting, and shall allow to a reasonable extent for such purposes the construction of access roads, wharves, landings, and

Public
access

other facilities on its lands the occupancy of which may, in appropriate circumstances, be subject to payment of rent to the Licensee in a reasonable amount: Provided, that the Licensee may reserve from public access, such portions of the project waters, adjacent lands, and project facilities as may be necessary for the protection of life, health, and property and Provided further, that the Licensee's consent to the construction of access roads, wharves, landings, and other facilities shall not, without its express agreement, place upon the Licensee any obligation to construct or maintain such facilities.

Article 8. In the construction and maintenance of the project, the location and standards of roads and trails, and other land uses, including the location and condition of quarries, borrow pits, spoil disposal areas, and sanitary facilities, shall be subject to the approval of the department or agency of the United States having supervision over the lands involved.

Article 9. Insofar as any material is dredged or excavated in the prosecution of any work authorized under the license, or in the maintenance of the project, such material shall be removed and deposited so it will not interfere with navigation, and will be to the satisfaction of the District Engineer, Department of the Army, in charge of the locality.

Article 10. In the construction and maintenance of the project works, the Licensee shall place and maintain suitable structures and devices to reduce to a reasonable degree the liability of contact between its transmission lines, and telegraph, telephone, and other signal wires or power transmission lines constructed prior to its transmission lines and not

owned by the Licensee, and shall also place and maintain suitable structures and devices to reduce to a reasonable degree the liability of any structures or wires falling and obstructing traffic and endangering life on highways, streets, or railroads.

Article 11. The Licensee shall make provision, or shall bear the reasonable cost, as determined by the agency of the United States affected, of making provision for avoiding inductive interference between any project transmission line or other project facility constructed, operated, or maintained under the license, and any radio installation, telephone line, or other communication facility installed or constructed before or after construction of such project transmission line or other project facility and owned, operated, or used by such agency of the United States in administering the lands under its jurisdiction. None of the provision of this article is intended to relieve the Licensee from any responsibility or requirement which may be imposed by other lawful authority for avoiding or eliminating inductive interference.

Article 12. The Licensee shall clear such portions of transmission line rights-of-way across lands of the United States as are designated by the officer of the United States in charge of the lands; shall keep the areas so designated clear of new growth, all refuse, and inflammable material to the satisfaction of such officer; shall trim all branches of trees in contact with or liable to contact the transmission line; shall cut and remove all dead or leaning trees which might fall in contact with the transmission line; and shall take such other precautions against fire as may be required by such officer. No fires for the burning of waste

material shall be set except with the prior written consent of the officer of the United States in charge of the lands as to time and place.

Article 13. Timber on lands of the United States cut, used, or destroyed in the construction and maintenance of the project works or in the clearing of said lands shall be paid for in accordance with the requirements of and at the current stumpage rates applicable to the sale of similar timber by the agency of the United States having jurisdiction over said lands; and all slash and debris resulting from the cutting or destruction of such timber shall be disposed of as the officer of such agency may direct.

Article 14. The Licensee shall do everything reasonably within its power and shall require its employees, contractors, and employees of contractors to do everything reasonably within their power, both independently and upon request of officers of the agency of the United States concerned, to prevent, make advanced preparations for suppression, and suppress fires on lands occupied under the license.

Article 15. Whenever the United States shall desire to construct, complete, or improve navigation facilities in connection with the project, the Licensee shall convey to the United States, free of cost, such of its lands and its rights-of-way and such right of passage through its dams or other structures, and permit such control of pools as may be required to complete and maintain such navigation facilities.

Article 16. The Licensee shall furnish free of cost to the United States power for the operation and maintenance of navigation facilities at the voltage and frequency required by such facilities and at a point

adjacent thereto, whether said facilities are constructed by the Licen or by the United States.

Article 17. The operation of any navigation facilities, which may be constructed as a part of or in connection with any dam or diversion structure constituting a part of the project works, shall at all times be controlled by such reasonable rules and regulations in the interest of navigation, including the control of the level of the pool caused by such dam or diversion structure, as may be made from time to time by the Secretary of the Army. Such rules and regulations may include the construction, maintenance, and operation by the Licensee, at its own expense, of such lights and signals as may be directed by the Secretary of the Army.

Article 18. The United States specifically retains and safeguards the right to use water in such amount, to be determined by the Secretary of the Army, as may be necessary for the purposes of navigation on the navigable waterway affected; and the operations of the Licensee, so far as they affect the use, storage and discharge from storage of waters affected by the license, shall at all times be controlled by such reasonable rules and regulations as the Secretary of the Army may prescribe in the interest of navigation, and as the Commission may prescribe for the protection of life, health, and property, and in the interest of the fullest practicable conservation and utilization of such waters for power purposes and for other beneficial public uses, including recreational purposes; and the Licensee shall release water from the project reservoir at such rate in cubic feet per second, or such volume in acre-feet per specified period of time, as the Secretary of the Army may prescribe in the interest of

navigation, or as the Commission may prescribe for the other purposes hereinbefore mentioned.

Article 19. The Licensee shall interpose no objection to, and shall in no way prevent, the use by the agency of the United States having jurisdiction over the lands of the United States affected, or by persons or corporations occupying lands of the United States under permit, of water for fire suppression from any stream, conduit or body of water, natural or artificial, used by the Licensee in the operation of the project works covered by the license, or to the use by said parties of water for sanitary and domestic purposes from any stream or body of water, natural or artificial, used by the Licensee in the operation of the project works covered by the license.

Article 20. The Licensee shall be liable for injury to, or destruction of, any buildings, bridges, roads, trails, lands, or other property of the United States, occasioned by the construction, maintenance, or operation of the project works or of the works appurtenant or accessory thereto under the license. Arrangements to meet such liability, either by compensation for such injury or destruction, or by reconstruction or repair of damaged property, or otherwise, shall be made with the appropriate department or agency of the United States.

Article 21. The Licensee shall allow any agency of the United States, without charge, to construct or permit to be constructed on, through, and across the project lands, conduits, chutes, ditches, railroads, roads, trails, telephone and power lines, and other means of transportation and communication not inconsistent with the enjoyment of said lands by the Licensee for

the purposes stated in the license. This article shall not be construed as conferring upon the Licensee any right of use, occupancy, or enjoyment of the lands of the United States other than for the construction, operation, and maintenance of the project as stated in the license.

Article 22. There is reserved to the appropriate department or agency of the United States, or of the State or county involved, the right to take over, maintain, and supervise the use of any project road as a public road after construction of the project works is completed.

Article 23. The actual legitimate original cost of the original project, and of any addition thereto or betterment thereof, shall be determined by the Commission in accordance with the Act and the Commission's rules and regulations thereunder.

Article 24. After the first twenty (20) years of operation of the project under the license, six (6) percent per annum shall be the specified rate of return on the net investment in the project for determining surplus earnings of the project for the establishment and maintenance of amortization reserves, pursuant to Section 10 (d) of the Act; one-half of the project surplus earnings, if any, accumulated after the first twenty years of operation under the license, in excess of six (6) percent per annum on the net investment, shall be set aside in a project amortization reserve account as of the end of each fiscal year, provided that, if and to the extent that there is a deficiency of project earnings below six (6) percent per annum for any fiscal year or years after the first twenty years of operation under the license, the amount of such deficiency shall be deducted from the amount of any surplus earnings accumulated thereafter until absorbed, and

one-half of the remaining surplus earnings, if any, thus cumulatively computed, shall be set aside in the project amortization reserve account; and the amounts thus established in the project amortization reserve account shall be maintained therein until further order of the Commission.

Article 25. No lease of the project or part thereof whereby the lessee is granted the exclusive occupancy, possession, or use of project works for purposes of generating, transmitting, or distributing power shall be made without the prior written approval of the Commission; and the Commission may, if in its judgment the situation warrants, require that all the conditions of the license, of the Act, and of the rules and regulations of the Commission shall be applicable to such lease and to such property so leased to the same extent as if the lessee were the Licensee; Provided, that the provisions of this article shall not apply to parts of the project or project works which may be used by another jointly with the Licensee under a contract or agreement whereby the Licensee retains the occupancy, possession, and control of the property so used and receives adequate consideration for such joint use, or to leases of land while not required for purposes of generating, transmitting, or distributing power, or to buildings or other property not built or used for said purposes, or to minor parts of the project or project works, the leasing of which will not interfere with the usefulness or efficient operation of the project by the Licensee for such purposes.

*Property
mgmt.* Article 26. The Licensee, its successors and assigns shall, during the period of the license, retain the possession of all project property covered by the license as issued or as later amended, including the project area,

Property
mgmt.

the project works, and all franchises, easements, water rights, and rights of occupancy and use; and none of such properties necessary or useful to the project and to the development, transmission, and distribution of power therefrom will be voluntarily sold, transferred, abandoned, or otherwise disposed of without the approval of the Commission: Provided, that a mortgage or trust deed or judicial sales made thereunder, or tax sales, shall not be deemed voluntary transfers within the meaning of this article. In the event the project is taken over by the United States upon the termination of the license, as provided in Section 14 of the Act, or is transferred to a new licensee under the provisions of Section 15 of the Act, the Licensee, its successors and assigns will be responsible for and will make good any defect of title to or of right of user in any of such project property which is necessary or appropriate or valuable and serviceable in the maintenance and operation of the project, and will pay and discharge, or will assume responsibility for payment and discharge, of all liens or incumbrances upon the project or project property created by the Licensee or created or incurred after the issuance of the license: Provided, that the provisions of this article are not intended to prevent the abandonment or the retirement from service of structures, equipment, or other project works in connection with replacements thereof when they become obsolete, inadequate, or inefficient for further service due to wear and tear, or to require the Licensee, for the purpose of transferring the project to the United States or to a new licensee, to acquire any different title to or right of user in any of such project property than was necessary to acquire for its own purposes as Licensee.

Article 27. The terms and conditions expressly set forth in the license shall not be construed as impairing any terms and conditions of the Federal Power Act which are not expressly set forth herein.

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Before Jerome M. Muckendall, Chairman; Claude L. Draper,
Commissioners: Leaborn L. Digby and Frederick Staack.

In the Matter of

Public Utility District No. 2
of Grant County, Washington

Project No. 2114

APR 30 1956 ORDER MODIFYING ORDER ISSUING LICENSE (MAJOR)

On December 2, 1955 the Departments of Fisheries and Game of the State of Washington filed: (1) motion for reconsideration of our order issued November 4, 1955 dismissing the Department's petition to intervene in this proceeding, and for modification of the Commission's order issued November 4, 1955 issuing license to the above-named District (Licensee) for proposed Project No. 2114; and (2) petition for rehearing on the order issued November 4, 1955 issuing the license. Subsequently, by several letters, the pertinent one being dated December 7, 1955, the Departments requested certain additional modifications in the license conditions.

By letter dated December 5, 1955 an Assistant Secretary of the Interior raised certain questions with respect to the intent and meaning of Articles 39 and 44 of the order issuing license, and requested appropriate modification thereof, if necessary. The order issued herein is intended to clarify those matters.

In recognition of the fact, based on the present state of the record, that neither the Department of Fisheries nor the Department of Game is a "party" to the proceeding entitled to apply for rehearing under the provisions of Section 313(a) of the Federal Power Act, the Departments requested in their motion for reconsideration that the period specified within which the order issued November 4, 1955 was to have become final be extended so that should the Commission rescind its order denying intervention and grant intervention, the Departments would then, as parties, be properly applying for rehearing of the Commission's order issuing license.

It appears, however, that the Departments' petitions have become moot because counsel for the Departments and for the Licensee for Project No. 2114 have entered into and filed a stipulation respecting modification of the order issued November 4, 1955 issuing license. Under the stipulation it is agreed that Article 39 be modified as specified, that Article 41 be eliminated, and that the

Licensee and the Departments desire additional time within which to negotiate concerning the wording of Articles 40 and 44 of the aforementioned order. In addition, the parties to the stipulation desire the Commission to reserve jurisdiction to the extent necessary to amend the wording of Articles 40 and 44 in the event that the parties are able to stipulate on the wording and to the further extent that will permit any of the parties to either recommend modification of those two articles or request a hearing before the Commission with respect to modification of the articles.

The stipulation also covers the subject matter of the questions raised by the Assistant Secretary of the Interior, and although the Secretary of the Interior is not a party to the stipulation, his interests appear to be adequately protected thereunder and by the modification of the original order issuing license as hereinafter provided.

Upon reconsideration of this entire matter, including the above-mentioned stipulation between the Licensee and the Departments, the Commission finds:

- ; In the circumstances, it is necessary and appropriate in carrying out the provisions of the Federal Power Act, that our order issued November 4, 1955 in the above-entitled matter be modified so that Articles 39 and 44 thereof shall read as hereinafter recited; Article 41 be eliminated as hereinafter provided; and a new article be included therein respecting possible future modification of Article 40 and Article 44.

The Commission orders:

- (A) Article 39 of the order issued November 4, 1955 is modified to read:

Article 39. The Licensee shall construct, operate and maintain or shall arrange for the construction, operation and maintenance of such fish ladders, fish traps, fish hatcheries, or other fish facilities or fish protective devices for the purpose of conserving the fishery resources, and comply with such reasonable modifications in project structures and operations in the interest of fish life in connection with the project as may be prescribed hereafter by the Commission upon recommendations of the Secretary of the Interior, the Washington State Departments of Fisheries and Game and the Licensee.

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(B) Article 41 of the same order is eliminated therefrom.

*Clarified
wildlife
mitigation*

(C) Article 44 of the license issued by order issued November 4, 1955 is amended by adding thereto the words "and wildlife" after the word "fishery" in the twenty-second (22) line of that Article and by changing the words "that resource" in lines twenty-three (23) and twenty-four (24) to the words "those resources".

(D) The following article is added to the order as Article 51:

*mitigation
funding*

Article 51. In the event the Licensee, the Washington State Departments of Fisheries and Game, and the Secretary of the Interior fail to agree with respect to modification of Articles 40 and 44, the Commission reserves the right, after notice and opportunity for hearing: (1) to require the Licensee to construct, as well as acquire, island and marsh areas as required by Article 40, and (2) to require the Licensee to reimburse the Secretary of the Interior and the State of Washington, through its Departments of Fisheries and Game, upon their request, for expenses incurred in carrying out a pilot fish hatchery operation and for expenses incurred, not to exceed \$12,000 per annum, for continuation of the studies described in Article 44, beyond the first four years of the license period, Provided, However, that any reimbursement later required for the above stated purposes may be in addition to the maximum sum of \$182,000 specified in Article 44.

Added!

(E) This order shall become final thirty (30) days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313 (a) of the Federal Power Act, and failure to file such an application shall constitute acceptance of this order. In acknowledgment of the acceptance of this order, it shall be signed for the Licensee and returned to the Commission within sixty (60) days from the date of issuance of this order.

By the Commission.

J. H. Gutride,
Acting Secretary.

Adopted: December 29, 1955

Issued: January 4, 1956

In the Matter of

~~Project No. 2114~~

DEC 22 1958

DC-17

The Commission finds:

- (1) The license, further amended as hereinafter provided, will not alter any of the basic facts upon which the license was issued.
- (2) Public notice has been given of the filing of the application.

The Commission orders:

(A) The license for Project No. 2114 - which was issued to Public Utility District No. 2 of Grant County, Washington, on November 4, 1955, effective as of November 1, 1955, and subsequently amended - is hereby further amended so that Article 46 thereof shall read as follows:

Article 46. The Licensee shall prior to impounding water ~~clear~~ clear all the lands in the sides and margins of Priest Rapids and Wanapum Reservoirs between the horizontal plane established at an elevation five feet below the elevation of the maximum drawdown of each reservoir for flood control purposes and the annual flood line, where the annual flood is represented by a flow of 200,000 cfs; and shall dispose of all temporary structures, unused timber, brush, refuse, or inflammable material resulting from the clearing of the lands or from the construction and maintenance of project works. In addition, all trees along the margins of the reservoirs which may die during operations of the project shall be removed. The clearing of the lands and the disposal of the material shall be done with due diligence and to the satisfaction of the authorized representative of the Commission.

(B) This amendment in the manner set out above shall not operate to alter or amend the license in any other respect, and shall not in any way constitute a waiver of any other part, provision or condition of the license as heretofore amended.

(C) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313 (a) of the Federal Power Act and failure to file such an application shall constitute acceptance of this amendment of license. In acknowledgment of the acceptance of this amendment of license, it shall be signed for the Licensee and returned to the Commission within 60 days from the date of issuance of this order.

By the Commission.

Joseph H. Gutride,
Secretary.

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Before Commissioners: Jerome K. Kuykendall, Chairman; Frederick Stueck,
William R. Connole, Arthur Kline and John B. Hussey,

In the Matter of

Public Utility District No. 2
of Grant County, Washington

Project No. 2114

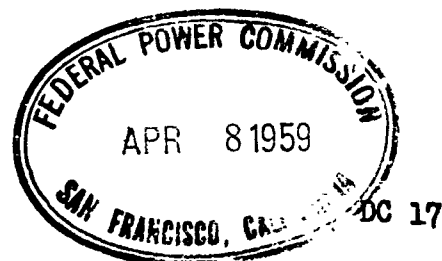
ORDER APPROVING INSTALLATION OF ADDITIONAL GENERATING
UNITS AND FURTHER AMENDING LICENSE (MAJOR)

(Issued March 3, 1959)

Applications were filed December 23, 1957, and March 6, 1958, respectively, by Public Utility District No. 2 of Grant County, Washington, licensee for major Project No. 2114, located on the Columbia River in Chelan, Douglas, Kittitas, Grant, Yakima, and Benton Counties, Washington, for amendment of the license for the project and for authorization to install additional generating units as hereinafter specified.

The December 23, 1957 application seeks amendment of the license for authorization to construct, operate, and maintain and to include in the license two 230-kilovolt, three-phase, single-circuit, steel-tower transmission lines, designated as Priest Rapids - Midway 230 kv Lines Nos. 1 and 2, and extending closely parallel to each other in an easterly direction from Priest Rapids Powerhouse of the project to a point about one mile north of the existing Midway Substation of the Bonneville Power Administration, thence by separate routes across the Columbia River to Midway Substation. The total length of No. 1 line is approximately 7.0 miles and that of No. 2 line is about 7.5 miles. The transmission lines are to be located in Grant and Benton Counties, Washington.

A preliminary investigation of the approximate route followed by the two transmission lines as set forth on Exhibit L, Sheet 63 (FPC No. 2114-55), filed as part of the application for amendment, indicates that no land of the United States will be occupied by the transmission-line right-of-way. However, should Exhibits F and K with respect to the lines - the filing of which is hereinafter provided for - disclose the occupancy of lands of the United States by the lines, a charge for such occupancy will be determined by the Commission as contemplated by Paragraph (ii) of Article 47 of the license.



By letter dated August 20, 1958, the Chief of Engineers informed the Commission that the U. S. Army Engineer District, Seattle, Washington, issued to the licensee a navigation permit dated October 21, 1957, which assents to constructing the transmission lines across the Columbia River and protects the interests of navigation, and that additional terms or conditions are not deemed necessary for insertion in the license for Project No. 2114.

The March 6, 1958 application seeks amendment of the license to increase the rating of the generators of the Priest Rapids Development of the project from 75,050 kilowatts each to 78,850 kilowatts each and authorization to install initially in the development ten units instead of eight units. The rating of the turbines for the generating units would remain at 114,000 horsepower each.

The proposed changes will result in increasing the initial installed capacity of the Priest Rapids Development from 600,400 kilowatts (eight units of 75,050 kilowatts each) to 788,500 kilowatts (ten units of 78,850 kilowatts each).

The increase in the initial installed capacity was found desirable by the licensee since it was found that the cost for the additional units would be considerably less if installed at this time, and that such increased capacity could be utilized in the integrated operation of the licensee's system with other Northwest Power Pool Systems.

The transformation-equipment and other facilities normally incorporated in a step-up substation are proposed to be installed as part of the Priest Rapids Powerhouse, and the need for construction of a separate substation in this development is thus eliminated. The switching station contemplated for the Priest Rapids Development will not be constructed initially, but provision for a future switching station is made in the lines to Midway.

The Chief of Engineers and the Secretary of the Army have approved the plans filed as part of the March 6, 1958 application insofar as the interests of navigation are concerned.

By letter dated January 3, 1958, the Commission advised the licensee that it would interpose no objection to its purchasing and installing two additional units Nos. 9 and 10 in the Priest Rapids Powerhouse prior to amendment of the license for the project.

The Commission finds:

- (1) The installation and operation of generating units Nos. 9 and 10 as part of the initial installation in the Priest Rapids Powerhouse is desirable in the public interest to supply adequately the reasonable market demands for power.
- (2) The license, further amended as hereinafter provided, will not alter any of the basic facts upon which the license was issued.
- (3) Public notice has been given of the filing of the December 23, 1957 application.
- (4) The two 230-kilovolt transmission lines from Priest Rapids Powerhouse to Midway Substation are part of the project within the meaning of Section 3 (11) of the Federal Power Act and should be included in the license for the project.
- (5) The authorized installed horsepower capacity of the project as increased under the amendment of license is 2,004,000 horsepower, and the annual charge for reimbursing the United States for the costs of administration of Part I of the Federal Power Act, based on such capacity, as hereinafter provided, is reasonable.
- (6) It is desirable to reserve for determination at a later date the amount of the annual charge, if any, to be paid under the license for the project for the purpose of recompensing the United States for the use, occupancy, and enjoyment of its lands, if any, used for transmission-line right-of-way.
- (7) The following exhibits filed as part of the applications conform to the Commission's rules and regulations and should be approved as part of the license for the project:

Priest Rapids Development

<u>Exhibit L</u>	<u>FPC No.</u>	<u>Title</u>	
Sheet 63	2114-55	Priest Rapids-Midway 230 kv Lines Nos. 1 and 2	} superseded, see Instr. 21
Sheet 1	2114-56	General Plan and Sections	
Sheet 3	2114-57	Powerhouse Plans	
Sheet 4	2114-58	Powerhouse Plan and Section	
Sheet 5	2114-59	Powerhouse Sections	
<u>Exhibit M</u> , entitled "General Description of Mechanical, Electrical and Transmission Equipment", in two sheets, filed March 10, 1958, and relating to both the Priest Rapids Development and the Wanapum Development of the project.			} superseded, see Instr. 11

and superseded Exhibit "L", Sheets 3, 4, and 5 (FPC Nos. 2114-9, -10, and -11), Exhibit L, Sheet 1 (FPC No. 2114-52), and Exhibit M, now part of the license, should be eliminated from the license.

(8) Exhibits F and K with respect to transmission lines shall be filed as hereinafter provided.

The Commission orders:

(A) The installation of generating units Nos. 9 and 10 as part of the initial installation in the Priest Rapids Powerhouse is approved, effective as of January 1, 1958.

(B) The above-described exhibits filed as part of the applications are approved as part of the license for the project.

(C) The above-specified superseded exhibits are eliminated from the license for the project.

(D) The license for Project No. 2114 - which was issued to Public Utility District No. 2 of Grant County, Washington, on November 4, 1955, effective as of November 1, 1955, and subsequently amended - is hereby further amended, effective as of January 1, 1959, to authorize the construction, operation, and maintenance and inclusion in the license of the above-described transmission-line facilities; to increase the rating of the ten units proposed for the Priest Rapids Powerhouse; to include therein certain exhibits showing and describing said changes; and to eliminate from the license certain superseded exhibits; said amendment being:

PARAGRAPH I. Paragraph (b) of the license is amended by -

superseded,
see Instr. 21
and Instr. 11 { (i) Including therein Exhibit L, Sheets 63, 1, 3, 4, and 5 (FPC Nos. 2114-55, -56, -57, -58, and -59) and Exhibit M, filed March 10, 1958, and excluding therefrom superseded Exhibit "L", Sheets 3, 4, and 5 (FPC Nos. 2114-9, -10, and -11), Exhibit L, Sheet 1 (FPC No. 2114-52), and Exhibit M, now part of the license; and

(ii) Changing the description of the project to read as follows:

(b) Principal structures consisting of:

see Instr. 19
for a later
description

(1) "Priest Rapids Development" at River Mile 397 from the mouth of the Columbia River, to consist of a concrete ogee spillway section containing 22 tainter gates; earthfill embankments connecting the concrete spillway and powerhouse to the high ground at both abutments; fish ladders and associated facilities; design provisions for construction of future navigation locks; a reservoir formed by the dam; a powerhouse

integral with the dam, to contain ten (10) vertical shaft Kaplan turbines (in addition, there is feasibility of adding at least six more units) the turbines to be rated for 114,000 horsepower each at a 78-foot net head (total 1,140,000 hp with ten units; 1,824,000 hp potential final), connected to generators rated at 83,000 kva (0.95 pf) each (total 788,500 kw with ten units) and to contain transformers with 230-kv output voltage; ~~the~~ ^{take} 230-kv single-circuit transmission lines between Priest Rapids powerhouse and Midway Substation of Bonneville Power Administration; and appurtenant hydraulic, mechanical, and electrical facilities and miscellaneous project works; and

- (2) "Wanapum Development" approximately at River Mile 415, to consist of a concrete ogee spillway section containing 22 tainter gates; rock-fill embankments connecting the concrete spillway and powerhouse to the high ground at both abutments; provision for the passage of upstream migratory fish; design provisions for construction of future navigation locks; a reservoir formed by the dam; a powerhouse integral with the dam, to contain eight (8) vertical shaft, Kaplan turbines, with skeleton provisions for two similar future units (in addition to the installation and provision for these ten units, there is feasibility of adding at least six more units) the turbines to be rated for 108,000 horsepower at a 75-foot net head (total 864,000 hp initial; 1,080,000 hp with ten units; 1,728,000 hp potential final), connected to generators rated at 75,000 kva (0.95 pf) each (total 570,000 kw initial); a substation and switching station; transmission lines; and appurtenant hydraulic, mechanical, and electrical facilities and miscellaneous project works.

PARAGRAPH II. Article 47 of the license is amended by substituting "(2,004,000 horsepower)" for "(1,726,000 horsepower)" in Paragraph (1) thereof as the authorized installed capacity. } superseded

* Amended per Amend #7, Instrument #13, issued 2/14/61, and effective 1/1/60

PARAGRAPH III. The license for the project is amended to include therein the following additional special condition designated Article 52:

dwg
approved
19
Article 52. The Licensee shall file with the Commission within one year from the date of completion of construction of each transmission line, in accordance with the Commission's rules and regulations, Exhibits F and K with respect to such line.

(E) The Commission reserves for future determination the amount of the annual charge, if any, to be paid under the license for the project for the purpose of recompensing the United States for the use, occupancy, and enjoyment of its lands, if any, used for transmission-line right-of-way.

(F) This amendment in the manner set out above shall not operate to alter or amend the license in any other respect, and shall not in any way constitute a waiver of any other part, provision or condition of the license as heretofore amended.

(G) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313 (a) of the Federal Power Act and failure to file such an application shall constitute acceptance of this amendment of license. In acknowledgment of the acceptance of this amendment of license, it shall be signed for the Licensee and returned to the Commission within 60 days from the date of issuance of this order.

By the Commission.

Joseph H. Gutride,
Secretary.

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

A. ndment # 5
Instrument # 11

Before Commissioners: Jerome K. Kuykendall, Chairman; Frederick Stueck and Arthur Kline.

In the Matter of)

Public Utility District No. 2)
of Grant County, Washington)

Project No. 2114

ORDER APPROVING INSTALLATION OF ADDITIONAL GENERATING
UNITS AND FURTHER AMENDING LICENSE (MAJOR)

(Issued May 28, 1959)

Application was filed August 25, 1958, and later amended, by Public Utility District No. 2 of Grant County, Washington, licensee for major Project No. 2114, located on the Columbia River in Chelan, Douglas, Kittitas, Grant, Yakima, and Benton Counties, Washington, for amendment of the license for the project and for authorization to install additional generating units as hereinafter specified.

The application seeks amendment of the license to revise the Wanapum Development as now authorized by the license, as amended, to -

(a) Reorient the powerhouse, spillway and embankments within the same general location to better utilize foundation conditions;

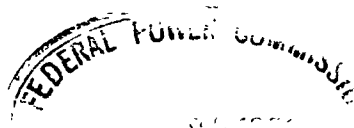
(b) Increase the dam height to raise the normal pool elevation by five feet from 565 to 570 feet;

(c) Install 12 larger gates, instead of the presently authorized 22 tainter gates, to shorten the spillway section so as to provide powerhouse space for the entire ultimate installation of 16 generating units, including provisions for the six units not to be installed initially;

(d) Increase the size of each unit to be installed initially and ultimately from a 108,000-horsepower turbine with a 75,000-kva generator (0.95 pf) to a 120,000-horsepower turbine with a 87,500-kva generator (0.95 pf), raising the ultimate installed capacity with 16 units from 1,140,000 kw to 1,329,600 kw;

(e) Increase the number of generating units to be installed initially from eight (570,000 kw) to ten (831,000 kw); and

(f) Establish October 1, 1959, and September 1, 1965, as the latest dates for commencement and completion, respectively, of the construction of Wanapum Development.



DC 17

The licensee proposes to incorporate conventional fish ladders in the Wanapum dam.

Shifting of the axis of the Wanapum dam across the Columbia River and the rearrangement of the powerhouse, spillway and earthen embankment sections have been dictated by the need to utilize better foundation conditions, resulting also in a more economic development. As in the case of the Priest Rapids Development of the project, earth fill will be used for the embankments rather than rock fill which is now authorized for Wanapum dam in the license.

The transformation-equipment and other facilities normally incorporated in a step-up substation are proposed to be installed as part of the Wanapum Powerhouse, and the need for construction of a separate substation in this development is thus eliminated.

The Chief of Engineers has reported that the plans of the structures affecting navigation are considered satisfactory subject to further study of provisions to be made for future navigation lock construction as provided in Article 29 of the license for the project.

The Secretary of the Interior has reported that his Department has no objection to the granting of the application provided conditions in the license protecting its interests are unchanged.

The Washington Departments of Fisheries and of Game have informed the Commission that the licensee has held design meetings with the fisheries agencies for discussion of design criteria and has submitted preliminary plans and design memoranda to them on conventional-type fish-passage facilities.

The Commission finds:

(1) The installation and operation of generating units Nos. 9 and 10 as part of the initial installation in the Wanapum Powerhouse is desirable in the public interest to supply adequately the reasonable market demands for power.

(2) The license, further amended as hereinafter provided, will not alter any of the basic facts upon which the license was issued.

(3) Public notice has been given of the filing of the application as amended.

(4) The authorized installed horsepower capacity of the project as increased under the amendment of license is 2,340,000 horsepower, and the annual charge for reimbursing the United States for the costs of administration of Part I of the Federal Power Act, based on such capacity, as hereinafter provided, is reasonable.

(5) The following exhibits filed as part of the application conform to the Commission's rules and regulations and should be approved as part of the license for the project:

Wanapum Development

<u>Exhibit L</u>	<u>FPC No.</u>	<u>Title</u>
Sheet 9	2114-96 - superseded see Instr. 14	General Plan
Sheet 10	2114-97	Elevation and Sections
Sheet 11	2114-98	Spillway
Sheet 12	2114-99	Powerhouse Plans
Sheet 13	2114-100	Powerhouse Sections
Sheet 14	2114-101	Powerhouse Section

Exhibit M, entitled "General Description of Mechanical, Electrical, and Transmission Equipment for Wanapum Development", in three sheets, filed February 24, 1959, } superseded
see Instr. 16

and superseded Exhibit "L", Sheet 9 (FPC No. 2114-15), now part of the license, should be eliminated from the license.

(6) Exhibit M, entitled "General Description of Mechanical, Electrical and Transmission Equipment", in two sheets, and filed March 10, 1958, as revised to eliminate therefrom all reference to the Wanapum Development, conforms to the Commission's rules and regulations and should be approved as part of the license for the project and the superseded exhibit should be eliminated from the license.

The Commission orders:

(A) The installation of generating units Nos. 9 and 10 as part of the initial installation in the Wanapum Powerhouse is approved, effective as of January 1, 1959.

(B) The above-described exhibits filed as part of the application and Exhibit M, filed March 10, 1958, as revised, are approved as part of the license for the project.

(C) The above-specified superseded exhibits are eliminated from the license for the project.

(D) The license for Project No. 2114 - which was issued to Public Utility District No. 2 of Grant County, Washington, on November 4, 1955, effective as of November 1, 1955, and subsequently amended - is hereby further amended, effective as of January 1, 1959, to provide for the changes

described in the second paragraph of this order; to include therein certain exhibits showing and describing said changes; and to eliminate from the license certain superseded exhibits; said amendment being:

PARAGRAPH I. Paragraph (b) of the license is amended by -

- (i) Including therein Exhibit L, Sheets ~~8, 10, 11, 12, 13,~~ ^{superseded, see Instr. 14} and 14 (FPC Nos. 2114-~~96, 97, 98, 99, 100, and 101,~~ ^{superseded, see Instr. 21} Exhibit M, filed March 10, 1958, as revised, and ~~Exhibit M, filed February 24, 1959,~~ ^{superseded, see Instr. 16} and excluding therefrom superseded Exhibit "L", Sheet 9 (FPC No. 2114-15), and Exhibit M, filed March 10, 1958, now part of the license; and
- (ii) Changing the description of the Wanapum Development of the project to read as follows:
- (2) "Wanapum Development" approximately at River Mile 41.5, to consist of a concrete ogee spillway section containing 12 tainter gates, earth-fill embankments connecting spillway and powerhouse to high ground at each abutment; fish ladders and associated facilities; design provisions for construction of future navigation locks; a reservoir with normal operating pool level at elevation 570; a powerhouse integral with the dam, to contain 10 vertical shaft, Kaplan turbines (with provisions for six additional similar units) to be rated for 120,000 horsepower each at 80 feet net head, connected to generators rated at 87,500 kva (0.95 pf) each (total of 831,000 kw with 10 units), and to contain transformers with 230-kv output voltage; switching station; transmission lines as required; and appurtenant hydraulic, mechanical, and electrical facilities and miscellaneous project works.
- see Instr. for latest description*

PARAGRAPH II. Article 28 of the license, as amended, is further amended to read as follows:

Article 28. The Licensee shall commence construction of the project works constituting the Priest Rapids Development as a part of Project No. 2114 on or before July 1, 1958, and shall thereafter with due diligence prosecute such construction and shall complete the work on said development on or before September 12, 1963; shall commence construction of the project works constituting the Wanapum Development as a part of Project No. 2114 on or before October 1, 1959, and shall thereafter with due diligence prosecute

such construction and shall complete the work on said development on or before September 1, 1965; and shall commence the construction of such additional project works at such time or times as the Commission may determine to be in the public interest and shall thereafter with due diligence prosecute such construction and shall complete construction of such additional project works within such period or periods of time as the Commission may hereafter determine to be in the public interest.

PARAGRAPH III. Article 47 of the license, as amended, is further amended by substituting "(2,340,000 horsepower)" for "(2,004,000 horsepower)" in Paragraph (i) thereof as the authorized installed capacity.

(E) This amendment in the manner set out above shall not operate to alter or amend the license in any other respect, and shall not in any way constitute a waiver of any other part, provision or condition of the license as heretofore amended.

(F) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313 (a) of the Federal Power Act and failure to file such an application shall constitute acceptance of this amendment of license. In acknowledgment of the acceptance of this amendment of license, it shall be signed for the Licensee and returned to the Commission within 60 days from the date of issuance of this order.

By the Commission.

Joseph H. Gutride,
Secretary.

AMZL 100
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Public Utility District No. 2)
of Grant County, Washington) Project No. 2114

(Issued April 29, 1960)

The agreement specifies the manner in which the licensee shall partially fulfill its responsibilities under Article 39 of the license for the project for the conservation of the fishery resources of the Columbia River as affected by the project.

By letter dated December 1, 1959, the Commission submitted to the Secretary of the Interior a copy of the agreement for the approval of the United States Fish and Wildlife Service. An Assistant Secretary of the Interior by letter dated February 8, 1960, informed the Commission that "We have no objection to the substantive portions of the agreement." This statement has been interpreted by the Commission as approval of the agreement.

The inclusion in the license for Project No. 2114 of a condition as hereinafter provided is consistent with the public interest.

The Commission orders:

(A) The following condition, designated Article 53, is included in the license for Project No. 2114:

See "Agreements"
Required by
License Article 53

~~Article 53~~

~~Application~~

~~Application~~

~~Application~~

~~Application~~

Article 53. The Licensee shall abide by the terms of the agreement entered into on November 2, 1959, between Public Utility District No. 2 of Grant County, Washington, and The State of Washington, Department of Game, in partial fulfillment of the Licensee's responsibilities and obligations for the conservation of fishery resources under Article 39 of this license.

Fish
mitig.

(B) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313 (a) of the Federal Power Act and failure to file such an application shall constitute acceptance of this order. In acknowledgment of the acceptance of this order, it shall be signed for the licensee and returned to the Commission within 60 days from the date of its issuance.

By the Commission.

Joseph H. Gutride,
Secretary.

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Before Commissioners: Joseph C. Swidler, Chairman; Howard Morgan,
L. J. O'Connor, Jr., Charles R. Ross, and
Harold C. Woodward.

Public Utility District No. 2)
of Grant County, Washington) Project No. 2114

ORDER FURTHER AMENDING LICENSE

(Issued May 9, 1963)

Application was filed on May 9, 1962, and supplemented on May 14, 1962, by Public Utility District No. 2 of Grant County, Washington, licensee for Project No. 2114, for further amendment of the license for the project, located on the Columbia River in Chelan, Douglas, Kittitas, Grant, Yakima and Benton Counties, Washington.

The application seeks Commission approval of certain revised Exhibits J, K, and M, and authorization to construct additional transmission facilities, as part of the project, the same being three 230-kv transmission lines from Wanapum powerhouse to Wanapum-Vantage substation; two 230-kv transmission lines from Priest Rapids to Wanapum-Vantage substation; and a 230-kv transmission line from Wanapum-Vantage substation to Columbia substation of the Bonneville Power Administration.

The Department of the Interior has advised it has no objection to the proposed amendment, provided that the Project Manager of the Department's Columbia Basin Project, Ephrata, Washington, be given an opportunity to coordinate with the licensee on review of final construction plans and drawings to avoid the possibility of interference with existing or proposed Bureau of Reclamation facilities.

We are not herein approving revised Exhibit K (FPC Nos. 2114 - 115, -116 and -117) since it was revised by the licensee only to show the proposed transmission line locations, with no survey information as to width of right-of-way, center line survey, stationing or areas involved.

The Commission finds:

(1) The license, further amended as hereinafter provided, is in the public interest.

(2) The transmission lines described in the second paragraph of this order will serve as parts of the project within the meaning of Section. 3(11) of the Federal Power Act and should be included in the license for the project.

(3) Revised Exhibit J (FPC No. 2114-114) filed as part of the application, superseding Exhibit J (FPC No. 2114-3) dated June 15, 1955 now part of the license; and revised Exhibit M in 3 sheets, dated May 7, 1962, filed as part of the application, superseding Exhibit M in 2 sheets pertaining to the Priest Rapids Development dated March 4, 1958 and Exhibit M in 3 sheets pertaining to the Wanapum Development dated February 16, 1959, now parts of the license, conform to the Commission's rules and regulations and should be approved as parts of the license.

(4) The exhibits described in finding (3) above as having been superseded should be eliminated from the license.

The Commission orders:

(A) The license for Project No. 2114 is hereby further amended, effective as of April 1, 1963, as follows:

Paragraph I. Subparagraphs (1) and (2) of Paragraph (b) of the license is amended to read as follows:

(1) "Priest Rapids Development" at River Mile 397 from the mouth of the Columbia River, to consist of a concrete ogee spillway section containing 22 tainter gates; earthfill embankments connecting the concrete spillway and powerhouse to the high ground at both abutments; fish ladders and associated facilities; design provisions for construction of future navigation locks; a reservoir formed by the dam; a powerhouse integral with the dam, to contain ten (10) vertical shaft Kaplan turbines (in addition, there is feasibility of adding at least six more units) the turbines to be rated for 114,000 horsepower each at a 78-foot net head (total 1,140,000 hp with ten units; 1,824,000 hp potential final), connected to generators rated at 83,000 kva (0.95 pf) each (total 788,500 kw with ten units) and to contain transformers with 230-kv output voltage; three 230-kv single-circuit transmission lines between Priest Rapids powerhouse and Midway Substation of Bonneville Power Administration and two 230-kv transmission lines between Priest Rapids powerhouse and Wanapum-Vantage substation; and appurtenant hydraulic, mechanical, and electrical facilities and miscellaneous project works; and

(2) "Wanapum Development" approximately at River Mile 415, to consist of a concrete ogee spillway section containing 12 tainter gates,

earthfill embankments connecting spillway and powerhouse to high ground at each abutment; fish ladders and associated facilities; design provisions for construction of future navigation locks; a reservoir with normal operating pool level at elevation 570; a powerhouse integral with the dam, to contain 10 vertical shaft Kaplan turbines (with provisions for six additional similar units) to be rated for 120,000 horsepower each at 80 feet net head (total 1,200,000 hp initial, 1,920,000 hp potential final) connected to generators rated at 87,500 kva (0.95 pf) each (total of 875,000 kw with ten units), and to contain transformers with 230-kv output voltage; switching station; three 230-kv transmission lines between Wanapum powerhouse and Wanapum-Vantage substation and a 230-kv transmission line from Wanapum-Vantage substation to Columbia substation of Bonneville Power Administration; and appurtenant hydraulic, mechanical, and electrical facilities and miscellaneous project works.

Paragraph II. The license is amended by adding thereto the following additional article:

Article 54. Licensee shall consult and cooperate with the Project Manager, Bureau of Reclamation, Ephrata, Washington, and coordinate construction of the Vantage substation - Columbia substation 230-kv line to avoid interference with Bureau of Reclamation facilities.

(B) The revised exhibits described in findings (3) above are hereby approved as part of the license for the project, and the exhibits described in the same finding as being superseded are hereby eliminated from the license for the project.

(C) This amendment in the manner set out above shall not operate to alter or amend the license in any other respect, and shall not in any way constitute a waiver of any other part, provision or condition of the license.

(D) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313(a) of the Act, and failure to file such an application shall constitute acceptance of this license amendment. In acknowledgment of the acceptance of this license amendment, it shall be signed for the licensee and returned to the Commission within 60 days from the date of issuance of this order.

By the Commission.

Joseph H. Gutride,
Secretary.

IN TESTIMONY of its acknowledgment of acceptance of all the provisions, terms and conditions of this license amendment, Public Utility District No. 2 of Grant County, Washington, this 20th day of May, 1963 has caused its corporate name to be signed hereto by Wm. Schempp, its _____ President, and its corporate seal to be affixed hereto and attested by Paul Neihart, its _____ Secretary, pursuant to a resolution of its Commissioners duly adopted on the _____ day of _____, 1963 a certified copy of the record of which is attached hereto.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

By /s/ Wm. Schempp
President

Attest:

Paul Neihart
Secretary

(Executed in quadruplicate)

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Public Utility District No. 2
of Grant County, Washington

)
)

Project 2114

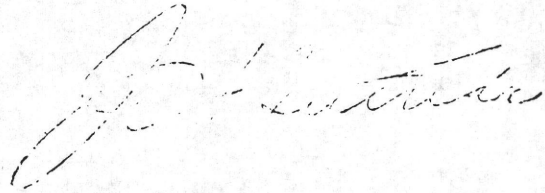
EPRATA NOTICE

(June 20, 1963)

ORDER FURTHER AMENDING LICENSE
(Issued May 9, 1963,

Page 1, paragraph 2, line 5, change "two" to "one".

Page 2, Subparagraph (1) under "Paragraph I", line 15, change "two" to "one".



Joseph H. Gutride,
Secretary.

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Before Commissioners: Joseph C. Swidler, Chairman; L. J. O'Connor, Jr.,
Charles E. Ross, Harold C. Woodward, and
David S. Flack

Public Utility District No. 2 of)
Grant County, Washington) Project No. 2114

ORDER ACCEPTING AGREEMENT
MADE PURSUANT TO LICENSE CONDITION

(Issued January 15, 1964)

On August 2, 1963, Public Utility District No. 2 of Grant County, Washington, licensee for Project No. 2114, filed an agreement dated July 29, 1963, between the licensee and the State of Washington, Department of Game, concerning the conveyance to the State of Washington, Department of Game, of land owned by the licensee along the Columbia River and tributaries outside the project boundary, for development by the Department of Game for the preservation of wildlife and waterfowl as substitute areas for areas lost by inundation of the Wanapum and Priest Rapids Reservoirs of Project No. 2114.

The agreement was made pursuant to the provisions of Article 40 of the license which reads as follows:

Article 40. The Licensee shall negotiate with the Department of Game of the State of Washington, with respect to the acquisition by the Licensee for the State of island and marsh areas along the Columbia River and tributaries for development as substitutes for waterfowl nesting areas to be lost by reservoir inundation. Should the Licensee and the State Department of Game fail to agree on the acquisition of such lands, the Commission reserves the right to make a final determination in this matter after notice and opportunity for hearing.

The aforementioned agreement was made subject to its approval by U. S. Fish and Wildlife Service which has approved the agreement in accordance with Section XI thereof.

The Commission finds:

The aforementioned agreement is in compliance with Article 40 of the license for Project No. 2114.



The Commission orders:

see separate folder

The aforementioned July 29, 1963 agreement between the licensee for Project No. 2114 and the State of Washington Department of Game is hereby accepted for filing pursuant to the provisions of Article 40 of the license.

By the Commission.

Acceptance
of wildlife
mitigation agreement

Joseph H. Putride,
Secretary.

Article 53. (a) In accordance with the provisions of this article, the Licensee shall have the authority to grant permission for certain types of use and occupancy of project lands and waters and to convey certain interests in project lands and waters for certain other types of use and occupancy, without prior Commission approval. The Licensee may exercise the authority only if the proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational, and other environmental values of the project. For those purposes, the Licensee shall also have continuing responsibility to supervise and control the uses and occupancies for which it grants permission, and to monitor the use of, and ensure compliance with the covenants of the instrument of conveyance for, any interests that it has conveyed, under this article. If a permitted use and occupancy violates any condition of this article or any other condition imposed by the Licensee for protection and enhancement of the project's scenic, recreational, or other environmental values, or if a covenant of a conveyance made under the authority of this article is violated, the Licensee shall take any lawful action necessary to correct the violation. For a permitted use or occupancy, that action includes, if necessary, cancelling the permission to use and occupy the project lands and waters and requiring the removal of any non-complying structures and facilities.

(b) The types of use and occupancy of project lands and waters for which the Licensee may grant permission without prior Commission approval are: (1) landscape plantings; (2) non-commercial piers, landings, boat docks, or similar structures and facilities; and (3) embankments, bulkheads, retaining walls, or similar structures for erosion control to protect the existing shoreline. To the extent feasible and desirable to protect and enhance the project's scenic, recreational, and other environmental values, the Licensee shall require multiple use and occupancy of facilities for access to project lands or waters. The Licensee shall also ensure, to the satisfaction of the Commission's authorized representative, that the uses and occupancies for which it grants permission are maintained in good repair and comply with applicable State and local health and safety requirements. Before granting permission for construction of bulkheads or retaining walls, the Licensee shall: (1) inspect the site of the proposed construction, (2) consider whether the planting of vegetation or the use of riprap would be adequate to control erosion at the site, and (3) determine that the proposed construction is needed and would not change the basic contour of the reservoir shoreline. To implement this paragraph (b), the Licensee may, among other things, establish a program for issuing permits for the specified types of use and occupancy of project lands and waters, which may be subject to the payment of a reasonable fee to cover the Licensee's costs of administering the permit program. The Commission reserves the right to require the Licensee to file a description of its standards, guidelines, and procedures for

can accomodate no more than 10 water-
time and where said facility is into
erve single-family type dwellings

i menting this paragraph (b) and to require modifications of
t standards, guidelines, or procedures.

(c) The Licensee may convey easements or rights-of-way across, or leases of, project lands for: (1) replacement, expansion, realignment, or maintenance of bridges and roads for which all necessary State and Federal approvals have been obtained; (2) storm drains and water mains; (3) sewers that do not discharge into project waters; (4) minor access roads; (5) telephone, gas, and electric utility distribution lines; (6) non-project overhead electric transmission lines that do not require erection of support structures within the project boundary; (7) submarine, overhead, or underground major telephone distribution cables or major electric distribution lines (69-kV or less); and (8) water intake or pumping facilities that do not extract more than one million gallons per day from a project reservoir. No later than January 31 of each year, the Licensee shall file three copies of a report briefly describing for each conveyance made under this paragraph (c) during the prior calendar year, the type of interest conveyed, the location of the lands subject to the conveyance, and the nature of the use for which the interest was conveyed.

(d) The Licensee may convey fee title to, easements or rights-of-way across, or leases of project lands for: (1) construction of new bridges or roads for which all necessary State and Federal approvals have been obtained; (2) sewer or effluent lines that discharge into project waters, for which all necessary Federal and State water quality certificates or permits have been obtained; (3) other pipelines that cross project lands or waters but do not discharge into project waters; (4) non-project overhead electric transmission lines that require erection of support structures within the project boundary, for which all necessary Federal and State approvals have been obtained; (5) private or public marinas that can accommodate no more than 10 watercraft at a time and are located at least one-half mile from any other private or public marina; (6) recreational development consistent with an approved Exhibit R or approved report on recreational resources of an Exhibit E; and (7) other uses, if: (i) the amount of land conveyed for a particular use is five acres or less; (ii) all of the land conveyed is located at least 75 feet, measured horizontally, from the edge of the project reservoir at normal maximum surface elevation; and (iii) no more than 50 total acres of project lands for each project development are conveyed under this clause (d)(7) in any calendar year. At least 45 days before conveying any interest in project lands under this paragraph the Licensee must file a letter to the Director, Office of Electric Power Regulation, stating its intent to convey the interest and briefly describing the type of interest and location of the lands to be conveyed (a marked Exhibit G or K map may be used), the nature of the proposed use, the identity of any Federal or

State agency official consulted, and any Federal or State approvals required for the proposed use. Unless the Director, within 45 days from the filing date, requires the Licensee to file an application for prior approval, the Licensee may convey the intended interest at the end of that period.

(e) The following additional conditions apply to any intended conveyance under paragraphs (c) or (d) of this article:

(1) Before conveying the interest, the Licensee shall consult with Federal and State fish and wildlife or recreation agencies, as appropriate, and the State Historic Preservation Officer.

(2) Before conveying the interest, the Licensee shall determine that the proposed use of the lands to be conveyed is not inconsistent with any approved Exhibit R or approved report on recreational resources of an Exhibit E; or, if the project does not have an approved Exhibit R or approved report on recreational resources, that the lands to be conveyed do not have recreational value.

(3) The instrument of conveyance must include covenants running with the land adequate to ensure that: (i) the use of the lands conveyed shall not endanger health, create a nuisance, or otherwise be incompatible with overall project recreational use; and (ii) the grantee shall take all reasonable precautions to ensure that the construction, operation, and maintenance of structures or facilities on the conveyed lands will occur in a manner that will protect the scenic, recreational, and environmental values of the project.

(4) The Commission reserves the right to require the Licensee to take reasonable remedial action to correct any violation of the terms and conditions of this article, for the protection and enhancement of the project's scenic, recreational, and other environmental values.

(f) The conveyance of an interest in project lands under this article does not in itself change the project boundaries. The project boundaries may be changed to exclude land conveyed under this article only upon approval of revised Exhibit G or K drawings (project boundary maps) reflecting exclusion of that land. Lands conveyed under this article will be excluded from the project only upon a determination that the lands are not necessary for project purposes, such as operation and maintenance, flowage, recreation, public access, protection of environmental resources, and shoreline control, including shoreline aesthetic values. Absent extraordinary circumstances, proposals to exclude lands conveyed under this article from the project shall be consolidated for consideration when revised Exhibit G or K drawings would be filed for approval for other purposes.

17.17.70. 2

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Before Commissioners: Lee C. White, Chairman; Charles R. Ross,
Carl E. Bagge, and John A. Carver, Jr.

Public Utility District No. 2 of)
Grant County, Washington)

Project No. 2114

ORDER ACCEPTING SUPPLEMENTAL FILING

(Issued March 18, 1968)

On January 29, 1968, the Public Utility District No. 2 of Grant County, licensee for Project No. 2114, filed Supplemental Agreements No. 1 and No. 2 to an agreement with the Washington State Department of Game. The agreement was filed pursuant to Article 40 of the license for Project No. 2114.

Article 40 requires the licensee to negotiate with the Department of Game on acquisition by the licensee for the State of island and marsh areas along the Columbia River and its tributaries for development of water fowl nesting areas to replace those lost by reservoir inundation. The agreement was filed August 2, 1963 and accepted by Commission order of January 15, 1964. It provided for payments by the licensee up to \$150,000 for acquisition of land within a specified area. Supplemental Agreement No. 1 provides for payment of \$118,000 for an interest in lands acquired, part of which are outside the specified area but all of which are necessary and desirable to accomplish the purpose of Article 40. Supplemental Agreement No. 2 changes the period of payment from the anniversary date of the agreement to July 1 of each year.

WL mitig
& O&M
payments

The Commission finds:

The above-described filing should be accepted as supplementing the filing of August 2, 1963 under Article 40 of the license.

The Commission orders:

The Supplemental Agreements No. 1 and No. 2 dated December 1, 1964 and August 8, 1966 respectively, between the licensee and the Washington State Department of Game, are hereby accepted for filing pursuant to the provisions of Article 40 of the license for Project No. 2114.

By the Commission.

Gordon M. Grant,
Secretary.

In dead file
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CONTRACT BETWEEN PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY,
WASHINGTON, PERMITTEE FOR PROPOSED PROJECT NO. 2114, AND THE
STATE OF WASHINGTON DEPARTMENTS OF FISHERIES AND GAME, RELATIVE
TO FISH AND WILDLIFE INVESTIGATIONS IN CONNECTION WITH THE PROPOSED
PRIEST RAPIDS HYDROELECTRIC DEVELOPMENT ON THE COLUMBIA RIVER.

THIS CONTRACT entered into between the Public Utility District No. 2 of Grant County, Washington, hereafter referred to as the District, represented by its authorized officers, and the State of Washington Departments of Fisheries and Game, hereafter referred to as the Departments, represented by their respective Directors or their authorized representatives.

IT IS MUTUALLY AGREED THAT:

1. The Departments shall purchase supplies and materials and shall assign personnel to conduct investigations of the fish and wildlife resources which would be affected by Project No. 2114, known as the Priest Rapids Hydroelectric Development on the Columbia River, and analyze the effects of the project on fish and wildlife resources of the project area and formulate plans for the protection and preservation of the affected fish and wildlife. In carrying out the duties and responsibilities under this agreement, the Departments will cooperate with each other and with the United States Fish and Wildlife Service. The Departments will submit to the District a monthly report on the progress of the above investigations, including a statement of salaries and expenses incurred, which statement shall be itemized according to classifications adopted and furnished by the District.

2. The District shall keep the Departments informed on the current plans for the construction and operation or any other appurtenant aspects of the project mentioned above.

3. In consideration for the promise by the Departments to undertake the work under Section 1 above, the District agrees to pay the salaries and expenses of the Departments' personnel assigned to activities under this agreement, the cost of insurance, retirement payments, workmen's compensation payments, medical aid and federal tax payments, for such personnel, together with the cost of all supplies and materials necessary for the activities of the Departments under this agreement. All costs arising under this agreement which are chargeable to the District, as aforesaid, will be paid by the District upon submission of vouchers to the District accompanied by itemized statements of salaries and expenses incurred. Payment of costs will be made by check payable to the person, fund, or Department for whom the costs are charged as stated upon the voucher for payment. All checks drawn in payment for costs under this agreement will be transmitted to each of the respective Departments at their Seattle address, for recording and distribution to employees and vendors.

4. The itemized budget previously submitted to the District by the Departments and the United States Fish and Wildlife Service, totalling \$72,000.00, is merely an estimate of what the fish and wildlife studies relative to the above-mentioned project will cost, and are subject to change.

5. Any approval the Departments may make concerning this project will be subject to the existing rights of Indian tribes and nothing that the State of Washington, acting through its Departments of Fisheries and Game, may do can affect the rights of Indians within the State of Washington.

[Handwritten signatures and initials]
01/25/80

6. This contract shall be effective from the date of acceptance by the Departments and shall remain in full force and effect during the life of its necessity or until terminated by thirty days written notice given by either the District or the Departments to the others.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

ATTEST:

/s/
William Schempp, Secretary

(Seal)

By /s/ F. Wm. Arlt

TITLE: President

DATE: September 28, 1955

STATE OF WASHINGTON DEPARTMENT
OF FISHERIES

By /s/ Robert J. Schoettler

TITLE: Director of Fisheries

DATE: September 30, 1955

STATE OF WASHINGTON DEPARTMENT
OF GAME

By /s/ John A. Biggs

TITLE: Director of Game

DATE: September 30, 1955

Before the

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

In the Matter of)

Project No. 2114

Public Utility District No. 2)
of Grant County, Washington)

PETITION FOR ORDER APPROVING AGREEMENT BETWEEN THE LICENSEE
AND THE STATE OF WASHINGTON, DEPARTMENT OF GAME

Your Petitioner respectfully shows:

I

Public Utility District No. 2 of Grant County, Washington, a municipal corporation organized under the laws of the State of Washington, Licensee for a power project designated as Project 2114 in the records of the Federal Power Commission issued on the 4th day of November, 1955, hereby petitions the said Commission for an Order approving an agreement between the Petitioner and the State of Washington, Department of Game, as described herein.

II

Article 39 of License for Project 2114, as modified by Order of the Commission adopted December 29, 1955, places certain responsibilities on the Petitioner with regard to conservation of fish in connection with the project.

III

The Department of Game, State of Washington, is responsible for and has jurisdiction over all species of game or sports fish in the State of Washington and in the Columbia River within said State under the laws of the State of Washington.

IV

In cognizance of the terms of the License for Project 2114 and the responsibilities of both the Petitioner and the said Department of Game, the parties have carried on extensive negotiations resulting in an agreement.

executed by the Petitioner on November 2, 1959, and by said Department of Game on November 4, 1959. A certified copy of Resolution No. 507, authorizing said agreement by the Petitioner, is attached hereto and marked Exhibit "A" and incorporated herein by reference, and a certified copy of the action of the Commission for the Department of Game for the State of Washington, authorizing the execution of such agreement is likewise attached hereto and marked Exhibit "B".

V

The Petitioner believes and alleges that the agreement above referred to is fair and reasonable and provides a proper and effective manner of conserving the fishery resources as pertains to all species of game or sports fish described in the agreement.

VI

The agreement referred to has been entered into subject to approval of the United States Fish and Wildlife Service, and subject to the approval of the Federal Power Commission.

VII

The Petitioner and the Game Department of the State of Washington are concurrently herewith requesting approval by the United States Fish and Wildlife Service.

NOW, THEREFORE, Petitioner requests that the Commission adopt and issue an Order approving the said agreement as executed.

IN WITNESS WHEREOF, the Petitioner has caused its name to be hereunto signed by Wm. Schempp, its President, and its corporate seal to be hereto affixed by Paul Neihart, its Secretary, thereunto duly authorized this 9th day of November, 1959.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY

ATTEST:

By

Secretary

By

President

(Seal)

EXHIBIT "A"

RESOLUTION NO. 507

A RESOLUTION AUTHORIZING THE EXECUTION
OF AN AGREEMENT WITH THE STATE OF WASH-
INGTON, DEPARTMENT OF GAME, CONCERNING
THE SPORTS FISHERY AND STEELHEAD FINGER-
LING MIGRATIONS ON THE COLUMBIA RIVER
BETWEEN MIDWAY AND THE FOOT OF ROCK
ISLAND DAM

Recitals:

1. Federal Power Commission License No. 2114 places certain responsibilities upon the District with regard to the preservation and replacement of Sports Fisheries in those reaches of the Columbia River directly affected by the Priest Rapids Project;
2. The District and the State of Washington, Department of Game, have negotiated to arrive at agreement in connection with the manner in which the obligations of the District with regard to the preservation and replacement of the sports fisheries in those reaches of the Columbia River directly affected by the Priest Rapids Project; and
3. The Legislature of the State of Washington has enacted Chapter 176, Laws of Washington 1959, authorizing the Department to jointly construct a fish hatchery with the District, and authorizing the Department to contract with the District to supply fish.

NOW, THEREFORE, BE IT RESOLVED:

1. The Commission finds that the agreement herein authorized provides the best manner in meeting the District's responsibility towards the sports fishery and damage to the steelhead fingerling migration in those reaches of the Columbia River affected by the Priest Rapids Project, and that the agreement provides for the limitations on the District's continued responsibility, which is of great advantage to the District.
2. The President and Secretary of the Commission are authorized and directed to execute, on behalf of the District, the agreement between the District and the State of Washington, Department of Game, dated concurrently herewith, included herein by reference and made a part hereof as if fully set forth herein.

BE IT FURTHER RESOLVED that signed copies of the agreement shall be forwarded to the State of Washington, Department of Game, for signature, and that thereafter the Supervisor of Production, with the assistance of council for the District, is authorized and directed to proceed to obtain necessary approval of the United States Fish and Wildlife Service and the Federal Power Commission.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County this 2nd day of November, 1959.

/s/ Wm. Schempp
President

ATTEST:

/s/ Paul Neihart
Secretary

/s/ Geo. Schuster
Commissioner

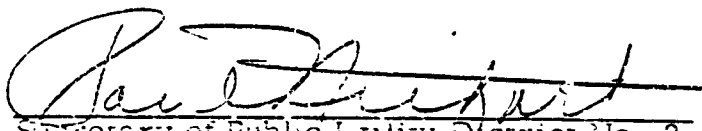
CERTIFICATE

I, PAUL NEIHART, do hereby certify that I am the duly elected, qualified and acting Secretary of Public Utility District No. 2 of Grant County, Washington, and the custodian of its records; that the attached and foregoing is a full, true and correct copy of Resolution No. 507, entitled:

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE STATE OF WASHINGTON, DEPARTMENT OF GAME, CONCERNING THE SPORTS FISHERY AND STEELHEAD FINGERLING MIGRATIONS ON THE COLUMBIA RIVER BETWEEN MIDWAY AND THE FOOT OF ROCK ISLAND DAM

and that said resolution was adopted by the affirmative vote of the Commissioners of said District at a regular meeting of November 2, 1959, at which all of the Commissioners were present; that said resolution has not been altered or amended, and the same is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 2nd day of November, 1959.


Secretary of Public Utility District No. 2
of Grant County

(Official seal of
Public Utility District No. 2
of Grant County)

FISH

AGREEMENT

THIS AGREEMENT is made and entered into this 2nd day of November, 1959, by and between:

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY,
Washington, hereinafter referred to as "the District,"

and

THE STATE OF WASHINGTON, DEPARTMENT OF GAME,
hereinafter referred to as "the Department."

Recitals:

1. The District is a municipal corporation organized under the laws of the State of Washington, and is authorized under Federal Power Commission License No. 2114 to construct and operate the Priest Rapids Project on the Columbia River;
2. The Department, as an agency of the State of Washington, is charged with the responsibility of preserving the Sports Fishery on the Columbia River within the area affected by the Priest Rapids Project, and with the responsibility of preserving the migration of steelhead fingerlings down the Columbia River to the ocean;
3. Federal Power Commission License No. 2114 places certain responsibilities upon the District with regard to the preservation and replacement of Sports Fisheries in those reaches of the Columbia River directly affected by the Priest Rapids Project;
4. The parties hereto recognize that the construction and operation of the Priest Rapids Project may have a deleterious effect on the Sports Fishery in those reaches of the Columbia River which will be affected by the reservoir to be impounded by the said Project, and upon the migration of steelhead fingerlings;
5. The parties desire to enter into this agreement in order to define the responsibilities and obligations of the District and to provide a means of meeting those responsibilities and obligations, and of preserving and replacing the Sports Fishery on the affected portion of the Columbia River, and preserving the migration of steelhead fingerlings;

6. The Legislature of the State of Washington has enacted Chapter 176, Laws of Washington 1959, authorizing the Department to jointly construct a fish hatchery with the District, and authorizing the Department to contract with the District to supply fish; and
7. 54.745 percent of the damage to the Sports Fishery and steelhead fingerling migration is due to the construction and operation of the Priest Rapids Development, and 45.255 percent of the damage to the Sports Fishery and steelhead fingerling migration is due to the construction and operation of the Wanapum Development, and the payments to be made under Section 3 herein shall be allocated accordingly.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

Section 1. DEFINITIONS

- (a) "Priest Rapids Development" shall mean those properties consisting of the Priest Rapids dam, site and reservoir.
- (b) "Wanapum Development" shall mean those properties consisting of the Wanapum dam, site and reservoir.
- (c) "Project" shall mean those properties and facilities known as the Priest Rapids Development and the Wanapum Development.
- (d) "License" shall mean Federal Power Commission License No. 2114 with all amendments and modifications thereto.
- (e) "Priest Rapids Period A" shall mean a five (5) Year period beginning on January 1, 1961.
- (f) "Priest Rapids Period B" shall mean a period of five (5) Years beginning at the termination of Priest Rapids Period A.
- (g) "Priest Rapids Period C" shall mean a period of eight (8) Years beginning at the termination of Priest Rapids Period A (for the first five (5) Years of Priest Rapids Period B this period will be concurrent with Priest Rapids Period B).
- (h) "Wanapum Period A" shall mean a five (5) year period beginning upon such date as the reservoir of the Wanapum Development has been initially raised to elevation 570 feet MSL and the District has notified the Department in writing that such pool elevation has been attained.

- (i) "Wanapum Period B" shall mean a period of five (5) Years beginning at the termination of Wanapum Period A.
- (j) "Wanapum Period C" shall mean a period of eight (8) Years beginning at the termination of Wanapum Period A (for the first five (5) Years of Wanapum Period B this period will be concurrent with Wanapum Period B).
- (k) "Game Fish" shall mean and include all of the following varieties of fish, together with any sub-varieties:

Whitefish	Crappie	Catfish
Bass	Sunfish	Trout
Perch	Blue Gill	Steelhead (Not
		including steelhead fingerlings)

and any other species that may come under the jurisdiction of the Department.

- (l) The term "Year" as used herein shall mean the twelve month period beginning on the first day of and every anniversary of the first day of the defined Period herein to which the term is applicable.
- (m) "Downstream Migration of Steelhead" shall mean the number of steelhead fingerlings which, it is assumed, will migrate downstream each Year of Priest Rapids Period C and Wanapum Period C, and which shall be computed by multiplying the actual annual count of the adult steelhead at Priest Rapids dam for the preceeding twelve month period by one hundred (100).
- (n) "Sports Fishery" shall refer to the present potential of any specified reach of the river to yield catches of Game Fish to persons fishing in such reach of the river.

Section 2. FISH HATCHERY

- (a) The Department will construct a fish hatchery, in Grant County, Washington, suitable for rearing the various varieties of trout required to meet the replacement program hereinafter agreed to; provided, that nothing contained herein shall be construed to require that the number and quality of fish to be planted be reared at the hatchery to be constructed, and in the event that the hatchery production will not meet the planting requirements herein, the Department agrees to provide the necessary additional fish from other hatchery installations.

- (b) The fish hatchery is to be constructed by the Department upon a site selected by the Department, and the Department shall have full responsibility for such selection and for the adequacy of such site, together with the adequacy, suitability and continuity of the water supply for the hatchery at such site.
- (c) Upon completion of construction of the hatchery, the Department shall immediately place the same in operation and shall, until the termination of Wanapum Period C, operate the said hatchery. The costs and expenses of such operation shall be borne by the Department and shall be without cost to the District.

Section 3. DISTRICT'S PAYMENT TOWARD HATCHERY

- (a) The District agrees to pay to the Department the cost of the construction of such hatchery (including cost of acquisition of the site) or the sum of four hundred fifty four thousand dollars (\$454,000), whichever is the lesser figure. The sum to be paid to the Department by the District shall be paid in the following manner:

As the Department's contractor, or contractors, shall submit progress estimates for payment, the District shall pay to the Department a portion of the said progress payment bearing the same ratio to the total progress payment to be made as the District's total contribution hereunder shall bear to the total cost of the hatchery, including the cost of the site, cost of construction, and fees paid engineers.

- (b) The Department agrees to furnish to the District all cost data necessary to determine the cost of the hatchery and the site. Copies of estimates for progress payments will be submitted to the District after they have been approved by the Director of Game, and the District will promptly make the payments herein required.

Section 4. PLANTING OF FISH DURING PRIEST RAPIDS PERIOD A

During Priest Rapids Period A, the Department agrees to plant fish as follows:

- (a) The Department will plant, at its own cost and expense, during each Year of said Period, in lakes in Grant County, one hundred sixty thousand (160,000) rainbow trout fingerlings. All lakes so planted with these fingerlings shall be open to year around fishing.

- (b) The Department will plant, at its own cost and expense, during each Year of said Period, one hundred twenty thousand (120,000) summer run steelhead fingerlings in the Columbia River watershed.
- (c) The Department will plant, at its own cost and expense, during each Year of said Period, one hundred fifty thousand (150,000) Canadian (Kamloops) rainbow trout fingerlings in the Priest Rapids reservoir. These fingerlings will be planted in the period from March 1st to October 1st of each Year, unless otherwise agreed upon.

Section 5. PLANTING OF FISH DURING WANAPUM PERIOD A

During each Year of Wanapum Period A, the Department agrees to plant fish as follows:

- (a) The Department will plant, at its own cost and expense, during each Year of said Period, in lakes in Grant County, ninety thousand (90,000) rainbow trout fingerlings. All lakes so planted with these fingerlings shall be open to year around fishing.
- (b) The Department will plant, at its own cost and expense, during each Year of said Period, one hundred seven thousand (107,000) summer run steelhead fingerlings in the Columbia River watershed.
- (c) The Department will plant, at its own cost and expense, during each Year of said Period, one hundred fifty thousand (150,000) Canadian (Kamloops) rainbow trout fingerlings in the Wanapum reservoir. These fingerlings will be planted in the period from March 1st to October 1st of each Year, unless otherwise agreed upon.

Section 6. EFFECT OF PAYMENTS

The payments to be made by the District to the Department under Section 3 hereof, and the planting requirements to be fulfilled by the Department under Section 4 and Section 5 hereof, shall be accepted as full and complete performance by the District of its obligations to the Department with regard to the Sports Fishery and steelhead fingerling migration, as the same will be affected by the construction and operation of the Priest Rapids Development during Priest Rapids Period A, and of the Wanapum Development during the Wanapum Period A. The District shall have no further obligation to the Department because of the Sports Fishery and steelhead fingerling migration, as affected by the Priest Rapids Development during Priest Rapids Period A, and no further ob-

ligation to the Department because of the Sports Fishery and steelhead fingerling migration, as affected by the Wanapum Development during Wanapum Period A.

Section 7. SPORTS FISHERY REPLACEMENT DURING PRIEST RAPIDS
PERIOD B

- (a) During the first Year of Priest Rapids Period B, and during each Year thereafter in said Period, the Sports Fishery in the reach of the river from Midway to the foot of Wanapum dam will be evaluated to determine the success of the Game Fish replacement program. This evaluation, which will be made as provided in Section 9 hereinafter, is to determine the total catch of all Game Fish for the purpose of comparing such catch to the pre-construction catch as related to the Priest Rapids Development. It is agreed that said pre-construction catch of all Game Fish from Midway to the foot of Wanapum dam was sixty four thousand (64,000) fish annually. In the event the total Game Fish catch during any year of said Period shall be equal to or exceed said pre-construction catch, the District shall have no liability to the Department for any additional payments for preservation of the Sports Fishery in such reach of the river during such Year. In the event the annual catch for any Year during said Period shall be less than the pre-construction catch, the Department agrees to plant rainbow trout fingerlings in the lakes of Grant County on the basis of two and one-half (2-1/2) trout fingerlings per each Game Fish by which the annual catch is less than the pre-construction catch. The District shall pay to the Department the Department's actual cost of producing such trout fingerlings; provided, that in no event shall the District be required, under this Section 7, to pay to the Department a sum greater than sixteen thousand dollars (\$16,000) in any one Year of the Priest Rapids Period B. It is agreed that in evaluating the total annual catch, the first twenty five thousand (25,000) catch of Game Fish from the reach of the river from Midway to the foot of Priest Rapids dam will not be taken into consideration.
- (b) It is agreed that upon the termination of Priest Rapids Period B, and the faithful performance by the District of its obligations under this Section 7, the District shall have no further obligation or responsibility because of the Sports Fishery in the reach of the Columbia River from Midway to the foot of Wanapum dam; and it is agreed that upon such termination and faithful performance, any responsibility or obligation placed upon the District under the term of the License as regards the Sports Fishery on the reach of the river referred to, shall be fully satisfied and at an end.

Section 8. SPORTS FISHERY REPLACEMENT DURING WANAPUM PERIOD B

- (a) During the first Year of Wanapum Period B, and during each Year thereafter in said Period, the Sports Fishery in the reach of the river from Wanapum dam to the foot of Rock Island dam will be evaluated to determine the success of the Game Fish replacement program. This evaluation, which will be made as provided in Section 9 hereinafter, is to determine the total catch of all Game Fish for the purpose of comparing such catch to the pre-construction catch as relates to the Wanapum Development. It is agreed that said pre-construction catch of all Game Fish from Wanapum dam to the foot of Rock Island dam was thirty six thousand (36,000) fish annually. In the event the total Game Fish catch during any Year of said Period shall be equal to or exceed said pre-construction catch, the District shall have no liability to the Department for any additional payments for preservation of the Sports Fishery in such reach of the river during such Year. In the event the annual catch for any Year during said Period shall be less than the pre-construction catch, the Department agrees to plant rainbow trout fingerlings in the lakes of Grant County on the basis of two and one-half (2-1/2) trout fingerlings per each Game Fish by which the annual catch is less than the pre-construction catch. The District shall pay to the Department the Department's actual cost of producing such trout fingerlings; provided, that in no event shall the District be required, under this Section 8, to pay to the Department a sum greater than nine thousand dollars (\$9,000) in any one Year of the Wanapum Period B.
- (b) It is agreed that upon the termination of Wanapum Period B, and the faithful performance by the District of its obligations under this Section 8, the District shall have no further obligation or responsibility because of the Sports Fishery in the reach of the Columbia River from Wanapum dam to the foot of Rock Island dam, and it is agreed that upon such termination and faithful performance, any responsibilities or obligations placed upon the District under the terms of the License, as regards the Sports Fishery on the reach of the river referred to, shall be fully satisfied and at an end.

Section 9. EVALUATION OF SPORTS FISHERY

- (a) The method of evaluating the Sports Fishery during Priest Rapids Period B and Wanapum Period B shall be by an actual count of the catches of Game Fish by fishermen frequenting the reservoir and river in the respective reaches of the river as set forth in Section 7 and Section 8 hereof. The enumeration of fishermen and the catches will be carried on as a joint project by the District and the Department in a manner satisfactory

to both. In the event the District shall be of the opinion that the actual catch of Game Fish by fishermen in any one Year of either Priest Rapids Period B or Wanapum Period B does not truly reflect the abundance of Game Fish in the respective reaches of the river, and does not truly reflect the success of the Game Fish replacement program, the District may employ an adequate number of fishermen to fish in various areas of each reach of the river during varying periods of the Year to determine such abundance and the success of the replacement program. The data provided by such fishermen, together with any reasonable conclusions which may be drawn therefrom, shall be submitted to the Department; and in the event the data and conclusions arrived at by the District under this latter method of determining the abundance of fish vary from the evaluation arrived at by actual count of the fishermen frequenting the reservoir, the parties shall negotiate in good faith to determine the abundance of Game Fish in the respective reaches of the river and the success of the replacement program. In the event the parties cannot agree thereto, the matter will be submitted to arbitration. The Department shall choose one arbiter and the District shall choose one arbiter, and the two so chosen shall select a third, and the three arbiters, after reviewing the evidence and data, shall make a determination as to the abundance of Game Fish and the success of the replacement program. The data obtained by actual count of the catches of fishermen (not employed for such purpose by the District) shall be deemed by the arbiters as prima facie showing of the abundance of Game Fish and the success of the replacement program, and such prima facie showing shall be overcome only by clear and convincing evidence. Such determination shall be binding upon the parties hereto during the Year in question, and shall be the basis of determining the payments by the District to the Department under Section 7 or Section 8 hereof, whichever is applicable for such Year. The arbiters selected shall be persons familiar with fish and fish replacement programs, and shall be persons neither in the employ of the District or the Department. The cost of arbitration shall be paid by the party requesting arbitration.

- (b) The District shall have the right to carry on experimental line and net fishing in the reservoirs for the purpose of determining the abundance and availability of the Game Fish in them. It also shall have the right to publicise the information from the experimental fishing, if the need arises, to encourage fishing in the reservoirs.

Section 10. STEELHEAD REPLACEMENT DURING THE PRIEST RAPIDS PERIOD C

- (a) During the first Year of Priest Rapids Period C, and each Year there-

after during such Period, the Downstream Migration of Steelhead will be used to determine the loss of migrating steelhead fingerlings because of the operation of the Priest Rapids Development. It is agreed that the loss of steelhead fingerlings passing through or over Priest Rapids dam as they migrate downstream each Year will be eleven percent (11%) of eighty nine percent (89%) of the Downstream Migration of Steelhead. The District will pay to the Department each Year of Priest Rapids Period C a sum equal to the number of steelhead fingerlings so lost, as above determined, multiplied by the Department's actual cost of producing each steelhead fingerling, for replacement, and the Department shall plant in the Columbia River watershed in such Year a number of steelhead fingerlings equal to the number so determined to be lost. In no event, however, shall the District be required, under this Section 10, to pay to the Department a sum in excess of fifteen thousand dollars (\$15,000) for any one Year. If, in any one Year, the cost of steelhead fingerlings required for replacement shall exceed fifteen thousand dollars (\$15,000), the Department shall be required to plant only the number of steelhead fingerlings determined by dividing fifteen thousand dollars (\$15,000) by the actual cost of producing each such fingerling.

- (b) It is agreed that upon the termination of Priest Rapids Period C, and the faithful performance by the District of its obligations under this Section 10, the District shall have no further obligation or responsibility because of the effect of the construction and operation of the Priest Rapids Development upon the steelhead migration; and it is agreed that upon such termination and faithful performance, any responsibility or obligation placed upon the District under the terms of the License as regards the steelhead migration, due to the construction and operation of the Priest Rapids Development, shall be fully satisfied and at an end.

Section 11. STEELHEAD REPLACEMENT DURING THE WANAPUM PERIOD C

- (a) During the first Year of Wanapum Period C, and each Year thereafter during such Period, the Downstream Migration of Steelhead will be used to determine the loss of migrating steelhead fingerlings because of the operation of the Wanapum Development. It is agreed that the loss of steelhead fingerlings passing through or over Wanapum dam as they migrate downstream each Year will be eleven percent (11%) of the Downstream Migration of Steelhead. The District will pay to the Department each Year of Wanapum Period C a sum equal to the number of steelhead fingerlings so lost, as above determined, multiplied by the Department's actual cost of producing each steelhead fingerling for replacement, and the Department shall plant in the Columbia River

watershed in such year a number of steelhead fingerlings equal to the number so determined to be lost. In no event, however, shall the District be required, under this Section 11, to pay to the Department a sum in excess of thirteen thousand three hundred seventy five dollars (\$13,375) for any one Year. If, in any one Year, the cost of steelhead fingerlings required for replacement shall exceed thirteen thousand three hundred seventy five dollars (\$13,375), the Department shall be required to plant only the number of steelhead fingerlings determined by dividing the thirteen thousand three hundred seventy five dollars (\$13,375) by the actual cost of producing each such fingerling.

- (b) It is agreed that upon the termination of Wanapum Period C, and the faithful performance by the District of its obligations under this Section 11, the District shall have no further obligation or responsibility because of the effect of the construction and operation of the Wanapum Development upon the steelhead migration; and it is agreed that upon such termination and faithful performance, any responsibility or obligation placed upon the District under the terms of the License as regards the steelhead migration because of the construction and operation of the Wanapum Development, shall be fully satisfied and at an end.

Section 12. OTHER LOSSES

- (a) In the event the District is of the opinion that there are losses to the Game Fish or steelhead fingerlings from causes unrelated to the construction and operation of the Project, such as destruction of fish by industrial waste or destruction of spawning grounds by other usages of the river, the parties agree to cooperate to evaluate the cause and magnitude of such losses, and the District's liability to make the payments under Section 7 and Section 8 hereof shall be reduced in proportion to such other losses as may be agreed upon.
- (b) If at any time after the effective date of this agreement, and during the life of the Project, the Department shall be of the opinion that there is damage to the Game Fish (including steelhead) or steelhead fingerlings caused by negligence of the District or its contractors in the construction operation or maintenance of the Project or fish passage facilities therein, the parties agree to cooperate to evaluate the cause and magnitude of such damage. In the absence of agreement, the questions of negligence and amount of damage shall be arbitrated as provided in Section 9. It is the intention of the parties that the District shall compensate for any damage due to negligence, whether caused by the District or its independent contractor. The liability of the District, under this Section 12(b) shall be a continuing one and shall not be released by the releases otherwise provided for herein.

Section 13. AVAILABILITY OF RIVER FOR FISHING

The Department agrees that, during the period from the beginning of Priest Rapids Period A until the termination of Wanapum Period C, the Columbia River from Midway to the foot of Rock Island dam will be open to year around fishing for all Game Fish, except that the Department may institute reasonable closures at or below Rock Island, Wanapum and Priest Rapids dams to insure fish passage or as may be necessary for public safety.

Section 14. ADDITIONAL RIGHTS OF THE DISTRICT

To best serve the interests of the District and the people of Grant County, it is agreed that the District shall have the following additional rights:

- (a) The District shall be permitted to inspect all hatchery operations, as such operations relate to the performance of this agreement, and make recommendations in regard to same.
- (b) The District shall be permitted to mark adequate numbers of Canadian (Kamloops) rainbow trout to aid in future identification and evaluation of the planting program.
- (c) The selection of any Canadian (Kamloops) rainbow trout fish stock shall be mutually agreeable, and the source thereof available for inspection by the District.
- (d) The Department shall give the District reasonable advance notice of all fish plants under this agreement, and the District shall have reasonable opportunity to inspect said fish to verify conformity to the conditions and standards of this agreement.

Section 15. STANDARDS

All fish to be produced and planted under the terms of this agreement shall be in good condition, free of disease, and six to eight inches (6" - 8") in size at the time of planting. Any deviation or departure from accepted standards will only be permitted by mutual consent.

Section 16. APPROVAL BY OTHER AGENCIES

The parties hereto agree that this agreement is subject to approval by

the United States Fish and Wildlife Service, and by the Federal Power Commission. It is further agreed that this agreement shall not be effective for any purpose until approval of this agreement has been received from each of the above named agencies. The parties agree to cooperate in submitting this agreement for such approval and to seek the earliest approval.

Section 17. AUTHORITY FOR AGREEMENT

This agreement is entered into pursuant to the authority granted by Chapter 176, Laws of Washington 1959, and by the License, and the License is incorporated herein by reference and made a part hereof. The Department agrees that upon full performance of the covenants of the District under this agreement, all obligations of the District to the Department because of the construction and operation of the Project, except those referred to in Section 12(b) herein, will be fully satisfied and at an end; provided, that nothing herein is to be construed to release the District from its obligation to construct and operate the fish passage facilities at Priest Rapids and Wanapum dams.

Section 18. ASSIGNMENT

This contract shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to the contract. No assignment or transfer of the contract shall relieve the parties hereto of any obligation incurred hereunder.

PUBLIC UTILITY DISTRICT NO 2
OF GRANT COUNTY, WASHINGTON

By /s/ Wm. Schempp
President

ATTEST:

By /s/ Paul Neihart
Secretary

THE STATE OF WASHINGTON,
DEPARTMENT OF GAME

By /s/ John A. Biggs
Director (Title)

ATTEST:

By /s/ Oliver Edwards
(Title)

AGREEMENT

MAY 24 1985

7-29-63

WF - Wanapum Res
[Signature]
This agreement is made and entered into on this 29th day of July, 1963, by and between,
PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, hereinafter referred to as "the District,"

and

STATE OF WASHINGTON, DEPARTMENT OF GAME, hereinafter referred to as "the Department;"

Recitals:

1. The District is a municipal corporation organized under the laws of the State of Washington and is authorized under Federal Power Commission License 2114 to construct and operate the Priest Rapids Project, consisting of the Priest Rapids and Wanapum developments on the Columbia River in the State of Washington;
2. The Department, as an agency of the State of Washington, is charged with the responsibility of conserving wildlife and waterfowl along those reaches of the Columbia River within the area affected by the Priest Rapids Project;
3. Federal Power Commission License 2114 places certain responsibilities upon the District with regard to the preservation of wildlife and waterfowl along those reaches of the Columbia River directly affected by the Priest Rapids Project;
4. The parties hereto anticipate that the construction and operation of the Priest Rapids Project and its developments may have an effect on the wildlife and waterfowl in those reaches of the river affected by that Project, particularly with regard to the inundation of nesting areas for waterfowl, inundation of upland bird habitat and some reduction of winter graze for deer and other animals; and
5. The parties desire to enter into this agreement in order to provide means of meeting the responsibilities of the District and to provide the means and facilities for mitigating the losses to waterfowl, upland birds, winter graze and loss of game habitat.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

Section I - CONVEYANCE OF LANDS

The District agrees, within ninety (90) days after the execution of this agreement, to deliver to the Department its quit claim deeds in a statutory form conveying to the Department all the District's right, title and interest in and to those certain lands shown in red on the map attached hereto, identified as Exhibit "A" and incorporated herein by reference, and more fully described on Exhibit "B" attached hereto and incorporated herein by reference; provided, however, said deeds of conveyance shall reserve to the District that certain flowage easement and other reservations as are set forth on Exhibit "C" attached hereto and incorporated herein by reference. After the delivery and acceptance of said deeds the Department shall assume full responsibility for the lands conveyed thereby and shall use said lands only in a manner which will be consistent with the operation of the Priest Rapids Project and its developments, and which will in no way interfere with such operation.

Section II - INITIAL PAYMENT

In order to enable the Department to construct facilities, plant cover, plant feed and make such other improvements to the area and do such other things as will improve the game production and hunting yield of the area and mitigate against losses because of the reservoirs, the District agrees to make available to the Department an initial sum of One hundred fifty thousand dollars (\$150,000.00). Fifty thousand dollars (\$50,000.00) of said sum shall be available during the first twelve (12) month period after the execution of this agreement; Fifty thousand dollars (\$50,000.00), plus any unused portion of the Fifty thousand dollars (\$50,000.00) available in the first year, shall be available during the second twelve (12) month period after the execution of this agreement; and the balance of the total of One hundred fifty thousand dollars (\$150,000.00) shall be available during the third twelve (12) month period after the execution of this agreement. The monies to be paid as above provided shall be paid to the Department upon the presentation of proper vouchers for expenditures made during the appropriate periods in accordance with the terms of this agreement. In the event the entire One hundred fifty thousand dollars (\$150,000.00) has not been expended at the end of the thirty-six (36) month period the Department shall be entitled, nevertheless, to such funds in succeeding years upon presentment of the proper vouchers. The manner of expenditure of these funds and the budgetary requirements therefor shall be as set forth in Section V below.

Section III - LONG TERM PAYMENTS

In addition to the initial payment as provided in Section II above the District agrees to make available to the Department the sum of Twenty thousand dollars (\$20,000.00) for each year beginning at the end of the third year after the execution of this agreement and continually until the end of the twenty-third (23) year after the execution of this agreement. Said monies will be made available during each year to the Department and will be paid to the Department by way of reimbursement for monies spent according to the terms of this agreement upon the presentation of the proper voucher. The manner of expenditure of these funds and the budgetary requirements therefor shall be as set forth in Section V below.

Section IV - DEPARTMENT'S CONVEYANCE TO THE DISTRICT

2 | Concurrently with the delivery of the deeds from the District to the Department, in accordance with Section I hereof, the Department will deliver to the District right of way easements over those lands and in the form set forth in Exhibit "D" attached hereto and incorporated herein by reference.

Section V - RESTRICTIONS ON EXPENDITURES AND BUDGETS

It is agreed and understood that the monies being provided by the District hereunder are to be used by the Department for the mitigation of game losses because of the maintenance and operation of the Priest Rapids Project and its developments, and for the improvement of game production and hunting within the general area affected by the Project. The monies made available and to be reimbursed to the Department will be expended within that area outlined in red on Exhibit "E" attached hereto and incorporated herein by reference, which area shall be referred to hereinafter as "the Area," or shall be expended as otherwise agreed by the District and the Department. At least thirty (30) days prior to each anniversary of the execution of this agreement the Department will submit to the District its proposed budget in detail for the expenditure of the funds to be made available to it during the succeeding year (the budget for the first year of this agreement shall be prepared within a reasonable time after the execution of the agreement). The District shall have the right to approve or

disapprove said budget and the proposed expenditures as set forth therein. The approval by the District of the proposed budget will not be unreasonably withheld. In the event the parties cannot agree upon the budget or items therein then such disputed monies, at the election of either party, shall be submitted to arbitration in accordance with the provisions of Section XIII, Arbitration. It is recognized by the parties that the specific uses for the monies to be provided hereunder cannot be intelligently set forth at this time in view of the changing conditions which may be anticipated over the term of this agreement. However, it is the intent of the parties that the monies to be made available hereunder should be utilized in capital expenditures aimed to effect mitigation of game loss, improvement of game conditions and harvest and the improvement of hunting and for the necessary expenditures of operation and management required because of such capital expenditures. No expenditures will be reimbursed by the District unless those expenditures have been included in the budget for each year, or unless there has been prior specific approval of such expenditure by the District.

Section VI - REPORTS

The Department will, within sixty (60) days after each anniversary of this agreement, provide to the District a full and complete report of its activities within the area by the Department for the twelve (12) month period preceding such anniversary.

Section VII - PUBLIC USAGE

It is the intent of the parties that the public owned lands within the area shall be made available to public hunting, fishing and other recreation, and the Department agrees that insofar as lands within the area under its ownership and control it will make such lands available to the public for such uses; provided, however, that the Department may, in its discretion, restrict the use of those portions of the lands within its control reasonably necessary for nesting areas, pasture and feeding areas, and it may reasonably restrict the use of said lands within its ownership and control as may be determined to be necessary for proper game management by the State Game Commission. Representatives of the District may enter in or upon any of the lands within the area under the ownership and control of the Department at reasonable times for the purpose of inspecting the improvements and programs being undertaken thereon; provided, that such personnel shall not unnecessarily interfere with the Department's game management program.

Section VIII - STRUCTURES

The Department will not construct any water control structures nor any other type of structure within the freeboard areas of either the Priest Rapids or Wanapum development without the prior written approval of the District to the plans for such structures. After the completion of such structures the Department will maintain the same in good condition so as not to in any way interfere with the operation of either development, and if the District shall thereafter determine that any of said structures do, in fact, interfere with the operation of either of the developments the Department will forthwith remove or relocate such structures in a manner satisfactory to the District. District personnel shall have the right to enter upon any of the premises under the ownership and control of the Department for any proper purpose in conjunction with the operation and maintenance of the District's dams, reservoirs and associated structures.

Section IX - USE OF DISTRICT'S LANDS

Subject to reasonable regulation by the District for proper operation and maintenance of the developments and the Project, the District agrees that all lands owned by it in fee, bordering on the Priest Rapids or Wanapum reservoirs, shall be open to free use by the public for hunting and fishing purposes in accordance with the policy of the District as adopted from time to time: provided, that the foregoing covenant shall not apply with respect to any of the District's lands, the right of possession of which has, or shall in the future be, granted by lease, concession agreement or other conveyance to any person, firm or organization, and it is expressly understood that the agreement to allow free use by the public of the District's lands as above stated shall be and remain subordinate to the right of the District to grant exclusive possession and use to others, and shall be and remain subordinate to the rights of such grantees under the terms of any conveyance, and subordinate to the right of the District to sell or otherwise dispose of such lands free of any restriction herein. It is specifically understood and agreed, however, that the District, by making such lands available to the public, assumes no obligation with regard to the condition of said lands, and the District accepts no responsibility for loss or damage to any member of the public or any employee, officer or agent of the Department for loss or damage occurring to such person because of the condition of the District's lands involved. The District reserves the right to erect signs along the perimeter of its properties warning all persons that the use of said property is at the risk of the user, and that by entering upon the said property the user assumes all risk of injury, loss or damage. The District shall have the right to restrict access to those areas which it, from time to time, in

its sole discretion, deems advisable to close. The District owns the lands described as the South one-half (S-1/2) of Section Nine (9), Township Fourteen (14) North, Range Twenty-three (23) E. W. M. in Grant County, Washington, which land is being held for use by the Washington State Parks Department. If conveyance of said land is not made to the Parks Department within a reasonable time after execution of this agreement, the District will convey the same to the Department upon the same terms as other lands to be conveyed herein.

Section X - EFFECTS OF COVENANTS HEREIN

The Department agrees that the payments to be made by the District herein, in compliance with the District's covenants contained in this agreement, are to be accepted by the Department as full and complete performance by the District of its responsibilities to the Department with regard to all wildlife and waterfowl, including, but not limited to, ducks, geese and all species of waterfowl and all upland birds and all deer, elk, big game and fur bearing animals; and the performance in compliance herewith shall relieve the District of such responsibilities thereafter during the life and operation of the Priest Rapids and/or Wanapum developments, regardless of sooner termination of Federal Power Commission License for Project 2114; provided, however, that nothing herein is to be construed to reduce or affect the obligations of the District under that certain agreement between the District and the State of Washington, Department of Game, dated September 28, 1955 and September 30, 1955, as supplemented and amended by the agreement dated February 8, 1960.

Section XI - APPROVAL

The parties hereto agree that this agreement is subject to approval by the United States Fish and Wildlife Service as far as the migratory waterfowl are concerned.

It is further agreed that this agreement shall not be effective for any purpose until approval of this agreement has been received from the above named agency. The parties agree to cooperate in submitting this agreement for such approval and to seek the earliest approval.

The parties agree that the agreement will also be submitted to the Federal Power Commission.

Section XII - ASSIGNMENT

This contract shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to the contract. No assignment or transfer of the contract shall relieve the parties hereto of any obligation incurred hereunder.

Section XIII - ARBITRATION

In the event of inability of the parties hereto to agree to any matters of fact to be determined within the term of this agreement, the matter in controversy shall be submitted to a board of arbitrators for decision, and such decision will be final and binding on the parties. If either party shall elect to submit a matter to arbitration it shall notify, in writing, the other party of such election and shall state the name of the person selected by it as one of the arbitrators. Within thirty (30) days after receipt of such notice, the other party shall provide, in writing, to the party initiating the arbitration, the name of the person selected by it as arbitrator. The two arbitrators so selected shall select a third arbitrator. If the two arbitrators shall not agree as to the third within thirty (30) days after the selection of the second arbitrator, either party may request the Chief Justice of the Supreme Court of Washington to select the third arbitrator and the arbitrator selected by the Chief Justice shall act as the third arbitrator. The arbitration shall be governed by the laws of the State of Washington and the cost thereof, including the fees and expenses of the arbitrators, shall be borne as determined by the arbitrators.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY

ATTEST:

By *James L. ...* President

By *Willie H. ...* Secretary

THE STATE OF WASHINGTON
DEPARTMENT OF GAME

ATTEST:

By *John ...* (Title)

By _____ (Title)

The United States Fish and Wildlife Service hereby approves this agreement and agrees that the performance by the District of all of the covenants by it to be performed in this agreement will constitute full and complete satisfaction by the District, not only to the Washington State Department of Game, but to the United States Fish and Wildlife Service with regard to any responsibility the District may have to the said United States Fish and Wildlife Service with regard to the effect of the construction, operation and maintenance of the Priest Rapids Project upon migratory waterfowl; provided, however, that nothing herein is to be construed to reduce or affect the obligations of the District under that certain agreement between the District and the United States Fish and Wildlife Service dated November 17, 1955 and November 23, 1955, as supplemented and amended by the agreement dated January 21, 1960.

UNITED STATES FISH AND
WILDLIFE SERVICE

By _____ (Title)

SUPPLEMENTAL AGREEMENT NO. 2
(to Contract No. 450-002)

This Supplemental Agreement No. 2 is entered into this 8th day
of August, 1966, by and between

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, herein-
after referred to as "the District,"

and

THE STATE OF WASHINGTON, DEPARTMENT OF GAME, here-
inafter referred to as "the Department;"

Recitals:

1. The parties hereto, on the 29th day of July, 1963, entered into an agree-
ment relative to mitigation of losses to water fowl, upland birds, winter
graze and loss of game habitat, which said agreement is hereinafter re-
ferred to as "the Agreement" and is incorporated herein by reference;
2. By the Agreement it was provided that the monies to be made available
thereunder would be expended within a specified area as set forth in
the Agreement;
3. By Supplemental Agreement dated December 1, 1964, the parties pro-
vided for the advancement to the Department of the sum of \$118,000.00
to assist in the purchase of certain lands described in Part IV of such
Supplemental Agreement;
4. It appears appropriate that the Agreement of July 29, 1963 be further
supplemented and amended by providing for certain expenditures to
be made on the lands acquired pursuant to the Supplemental Agreement;
and
5. It appears to the best interests of the parties that the Agreement of
July 29, 1963 be further amended by amending Section III and Section
V of said Agreement in order to commence the payment and budget
year on July 1st of each year, rather than on the anniversary date of
the agreement.

NOW, THEREFORE, IT IS AGREED, without in any way modifying or amend-
ing the terms of the Agreement or of the Supplemental Agreement, except
as herein set forth as follows:

I

The parties agree that the monies to be made available under Section III of the Agreement may, with the consent of the District given annually at the time of the approval of the budget required by Section V of the Agreement, be expended in the improvement of the lands acquired by the Department under the terms of the Supplemental Agreement, as well as in the areas specified in Section V of the Agreement.

II

It is further agreed that Section III of the Agreement is amended to read as follows:

"In addition to the initial payment as provided in Section II above the District agrees to make available to the Department the sum of Twenty thousand dollars (\$20,000.00) for each year beginning July 1, 1966 and continually until the end of the twenty-third (23) year after the execution of this agreement. Said monies will be made available during each year to the Department and will be paid to the Department by way of reimbursement for monies spent according to the terms of this agreement upon the presentation of the proper voucher. The manner of expenditure of these funds and the budgetary requirements therefor shall be as set forth in Section V below."

III

It is further agreed that Section V of the Agreement is amended to read as follows:

"It is agreed and understood that the monies being provided by the District hereunder are to be used by the Department for the mitigation of game losses because of the maintenance and operation of the Priest Rapids Project and its developments, and for the improvement of game production and hunting within the general area affected by the Project. The monies made available and to be reimbursed to the Department will be expended within that area outlined in red on Exhibit "E" attached hereto and incorporated herein by reference, which area shall be referred to hereinafter as "the Area," or shall be expended as otherwise agreed by the District and the Department. At least thirty (30) days prior to the beginning of each year, as set forth in Section III above the Department will submit to the District its proposed budget in detail for the expenditure of the funds to be made available to it during the succeeding year (the budget for the first year of this agreement shall be pre-

pared within a reasonable time after the execution of the agreement). The District shall have the right to approve or disapprove said budget and the proposed expenditures as set forth therein. The approval by the District of the proposed budget will not be unreasonably withheld. In the event the parties cannot agree upon the budget or items therein then such disputed monies, at the election of either party, shall be submitted to arbitration in accordance with the provisions of Section XIII, Arbitration. It is recognized by the parties that the specific uses for the monies to be provided hereunder cannot be intelligently set forth at this time in view of the changing conditions which may be anticipated over the term of this agreement. However, it is the intent of the parties that the monies to be made available hereunder should be utilized in capital expenditures aimed to effect mitigation of game loss, improvement of game conditions and harvest and the improvement of hunting and for the necessary expenditures of operation and management required because of such capital expenditures. No expenditures will be reimbursed by the District unless those expenditures have been included in the budget for each year, or unless there has been prior specific approval of such expenditure by the District."

IV

In all respects, except as herein specifically set forth, the Agreement and the Supplemental Agreement shall remain in full force and effect.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

ATTEST:

By *[Signature]* President
By *[Signature]* Secretary

THE STATE OF WASHINGTON DEPARTMENT OF GAME

ATTEST:

By *[Signature]* Director of Game (Title)
By *[Signature]* (Title)
Assn. Chief - Game Division

INTER-AGENCY AGREEMENT
Between
WASHINGTON STATE
DEPARTMENT OF ECOLOGY
And
WASHINGTON STATE
DEPARTMENT OF FISH AND WILDLIFE

REGARDING COORDINATION ON
PRIEST RAPIDS HYDROELECTRIC PROJECT
November 2005

THIS INTER-AGENCY AGREEMENT (IA) is entered by Washington State Department of Ecology (Ecology) and Washington State Department of Fish and Wildlife (WDFW) (collectively the "Agencies") and describes the commitments and procedures to enhance coordination and cooperation between the agencies with respect to protecting water quality and aquatic species of the State of Washington affected by the Priest Rapids Project.

I. PURPOSE AND SCOPE

A. Ecology expects to issue a section 401 water quality certification (33 USC sec 401) to Public Utility District No. 2 of Grant County, Washington (Grant PUD) in the context of Grant PUD's application to the Federal Energy Regulatory Commission (FERC) for a new long-term license for operation of the Priest Rapids Hydroelectric Project (FERC No. 2114). The 401 certification will assess and address the impacts to water quality resulting from the operation of the Priest Rapids Project and establish conditions to assure compliance with water quality standards, including the protection of designated uses of fish and other aquatic species. In particular, the section 401 certification will require actions or conditions for the protection of salmonids, Pacific lamprey, white sturgeon, bull trout, resident fish, and nonfish aquatic species affected by the project. Barring any unforeseen developments, WDFW and Grant PUD will enter one or more multi-party Settlement Agreements in late 2005 or early 2006. The Settlement Agreement(s) will contain the mutually agreed obligations of Grant PUD for the protection, mitigation, and enhancement of aquatic resources and water quality to be included in the FERC license for the project. Ecology anticipates that substantive and procedural commitments to protect, mitigate impacts to, and enhance aquatic resources, contained in the Settlement Agreement(s), will be incorporated as terms of the section 401 certification, along with other conditions regarding fish resources that may be necessary to protect and maintain the fish and aquatic resources that constitute a designated or existing use under Washington water quality standards.

B. This IA is intended to provide a process for Ecology and WDFW to share technical expertise with respect to compliance with the terms and conditions of the Settlement Agreement(s) and the section 401 certification as relate to the protection of water quality and aquatic species affected by the project. In general, this IA provides that WDFW, as the agency with greater expertise on Columbia River fisheries and aquatic resources, will monitor Grant PUD's implementation of the protection, mitigation, and enhancement measures for salmonids, bull trout, sturgeon, lamprey, and resident fish and periodically report and consult with Ecology on these matters, as provided below. This assistance is intended to minimize the duplication of efforts, and recognizes that WDFW has certain expertise that Ecology does not currently possess. Ecology, as the agency with water quality authority, shall coordinate its implementation of water quality improvements with WDFW. This IA is designed to identify how responsibilities are to be shared. This agreement does not in any way limit, delegate, or diminish Ecology's legal authority, including but not limited to Ecology's authority to enforce or modify the section 401 certification or the Settlement Agreement(s), issue penalties, or seek any other relief.

II. CRITERIA FOR USE

A. **Priest Rapids Settlement Agreement(s) and Section 401 Certification.** This IA shall serve to assist the implementation of the section 401 certification and the Settlement Agreement(s) via collaboration

between WDFW and Ecology. However, if either WDFW or Ecology fails to enter or withdraws from the Settlement Agreement(s), this IA shall remain in place, unless formally abrogated under section IV.

B. WDFW shall:

1. Provide technical support to Ecology with respect to compliance with the terms and conditions the Settlement Agreement(s) and the section 401 certification that address the protection of fish and other aquatic species affected by the project.
2. Provide written progress reports and, upon request, periodic oral briefings to Ecology regarding this subject. These shall be submitted at a minimum annually, by February 15th of each year following the year of implementation.
3. In the event that urgent problems may arise regarding fish or other aquatic species covered by the Settlement Agreement(s) or 401 certification, promptly notify Ecology's primary contact and keep Ecology informed of actions being taken to address any such problems. WDFW shall to the extent feasible coordinate efforts to address such problems with Ecology.
4. Provide technical expertise for the modification of compliance measures, biological objectives, or water quality standards applicable to the project, if needed.
5. Provide litigation support related to the project in the form of technical advice and expert witnesses with respect to fish and other aquatic species.

C. Ecology shall:

1. Respond promptly to WDFW requests for coordination on fish management and water quality issues under the Priest Rapids Settlement Agreement(s) and the section 401 certification.
2. Consult with WDFW on Ecology decisions relating to the project that specifically address or have potential to affect fish and other aquatic species.
3. Coordinate implementation of water quality improvements with WDFW.
4. Provide written progress reports and, upon request, periodic oral briefings to WDFW staff regarding compliance with the section 401 conditions. These shall be submitted at a minimum annually, by February 15th of each year following the year of implementation.

D. Both Agencies shall:

1. Designate a primary contact for purposes of this Interagency Agreement. This person shall be the one to whom notices are provided.
2. Work together to ensure consistent application of the Settlement Agreement(s) and the section 401 certification with regard to the protection of water quality, fish, and other aquatic species.
3. Generally provide notice to and consultation with each other prior to taking any non-routine regulatory or compliance actions regarding areas covered by this IA. Specifically, it is intended that the agencies will consult prior to taking action on new section 401 certification or hydraulic permit conditions or enforcement of existing conditions.
4. In the event that a dispute may arise with respect to the implementation of this agreement, the parties will meet to discuss the issue at the lowest possible levels. If such meetings are unable to resolve any issues satisfactorily, disputes may be elevated within the respective agencies, with final resolution, if needed, by agency directors.

III. REVISIONS

- A. Revisions to this IA shall be provided in writing, and agreed to and signed by both parties.
- B. Review of this IA shall occur at a minimum of every five years for updates.

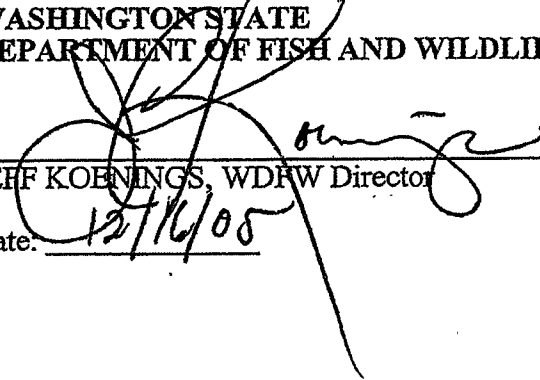
IV. EFFECTIVE DATE AND TERMINATION

This IA is to be effective upon the date of last signature below. This IA contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject

matter of this IA shall be deemed to exist or to bind either of the parties hereto. This IA may be terminated by either party upon a minimum of thirty (30) days written notice to the other party.

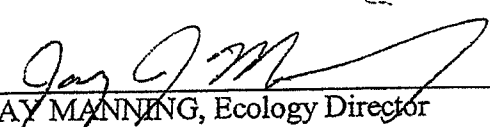
IN WITNESS WHEREOF, the parties execute this IA:

WASHINGTON STATE
DEPARTMENT OF FISH AND WILDLIFE


JEFF KOENINGS, WDFW Director

Date: 12/16/05

WASHINGTON STATE
DEPARTMENT OF ECOLOGY


JAY MANNING, Ecology Director

Date: 1/1/06